WR 21-86

World Production and Trade

United States Department of Agriculture

Foreign Agricultural Service

Washington, D.C. 20250

Weekly Roundup

WR 21-86

May 29, 1986

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The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

GRAIN AND FEED

EC Increases Emphasis on Barley Exports. The European Community's (EC) increasing emphasis on barley exports may mean stiffer competition for U.S. coarse grain exports in 1985/86. The recent announcement of larger export refunds and the authorization of sizable barley intervention (government) stocks for export likely indicates an attempt to increase barley exports despite rising costs. The EC barley export subsidy rose to 131 ECU/ton (about US$ 126 per ton) in April, double the subsidy offered at the beginning of the August/July 1985/86 campaign. With domestic French barley prices at about US$ 200 per ton, this subsidy would reduce the effective FOB price to US$ 74 per ton, undercutting U.S. corn prices by about 30 percent. In a second move, possibly targeted against U.S. barley exports, the EC authorized 400,000 metric tons of barley intervention stocks for export to Saudi Arabia at a reported price of US$ 65 per ton FOB. The United States recently announced a 500,000 ton Export Enhancement Program to Saudi Arabia.

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Moroccan Wheat Imports May Decline in 1986/87. Prospects for a record Moroccan wheat harvest could lead to lower imports of U.S. wheat in 1986/87 (July/June). With larger domestic supplies, total Moroccan wheat imports are projected at 1.6 million tons. In recent years, Moroccan wheat imports have averaged 2 million tons annually with approximately 70 percent from the United States. However, the U.S. market share has dropped as subsidized EC wheat makes up a growing portion of the Moroccan market. USDA has announced an Export Enhancement Program to Morocco for 1.5 million tons of wheat; nearly 900,000 tons has already been purchased.

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SALLY KLUSARITZ, Editor, Tel. (202) 447-3448. Additional copies may be obtained from FAS Media and Public Affairs Branch, 5922-S, Washington, D.C. 20250. Tel. (202) 447-7937.

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A67.42:

Korea Cuts Feed Grain Import Quotas. The level of U.S coarse grain exports to Korea during 1986/87 (Oct/Sept) will depend partially upon the ongoing struggle between feed grain millers and the Korean government. In an effort to expand local production and use of domestic feed grains, the Korean government has lowered the imported feed grain quota for calendar year 1986 to 1985 levels. While the government's import plan is based on total feed use of 6.2 million tons, actual feed grain use for the year has been running at 7.0 million tons and is not expected to diminish. Even if millers increased their use of domestic feed grains, under the new quotas, grain import allocations could be exhausted by late summer, causing a severe feed grain shortage in the Korean livestock sector.

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Mexico Obtains Credit for Argentine Grain Purchases. CONASUPO, Mexico's grain buying agency, has reportedly received about $24 million in credit to partially cover the purchase of Argentine grains and oilseeds made last February. Mexico had cancelled the unshipped balance of those contracts because of a foreign exchange shortage and was expected instead to import U.S. grains on credit. The new credit, plus financing for 100,000 tons of Canadian feed wheat, underscores Mexico's reliance on credit purchases, and reflects foreign exporters' attempts to compete with U.S. credit programs. Mexico has historically been a large U.S. feed grain market, annually purchasing about 6 million tons, but in recent years, Argentine sales have displaced about 500,000 tons of U.S. corn and sorghum.

OILSEEDS AND PRODUCTS

Philippine Copra and Coconut Oil 1986 Export Estimates Increased. As a result of unusually heavy coconut oil export shipments during January-March, the U.S. agricultural counselor in Manila has raised the 1986 coconut oil export estimate for the Philippines from 900,000 tons to nearly 1.2 million tons. Major world importers of coconut oil include the United States, West Germany, the Netherlands, and the USSR. The increase in exports results from an upward adjustment in the copra crop estimate for 1986 now put at 2.3 million tons, compared to last year's production of 1.9 million tons. The Philippine government had prohibited the export of copra since 1983. Since production has increased and the export ban was lifted in March, the Philippines is now forecast to export 130,000 tons of copra in 1986. Prior to the ban, the major export market for Philippine copra was the EC.

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DAIRY, LIVESTOCK AND POULTRY

Soviet Output Increasing. State and collective farms in the Soviet Union continue to report strong performance by the livestock sector, according to the U.S. agricultural attache in Moscow. Total meat production for January-April was up 8 percent, with beef up 7 percent, pork up 8 percent, and poultry meat up 14 percent compared to the same period of 1985. Milk production was reported to have increased 6 percent with per cow production up 7 percent. Egg production was reported to be 4 percent above 1985.

Livestock on state and collective farms continued to increase during April. May 1 cattle numbers at 98.0 million head were 0.6 million head above May 1, 1985, but cow numbers at 29.3 million head were 1 percent below the year-earlier level. Hog numbers at 58.9 million head were 2.6 percent above the comparable 1985 level, but still slightly below the 1984 record. Sheep and goat numbers were reported at 146.5 million head, up 2 percent.

The strong performance is being credited to better than normal overwintering conditions, including both favorable weather and more plentiful feed supplies, and to an early spring. Some credit must also be given to the improved supply of high-protein feeds as a result of larger imports.

FRUITS

Brazilian Orange Production Declines. According to the U.S. agricultural officer in Sao Paulo, 1986 Brazilian orange production is estimated at 10.5 million metric tons, 7 percent below last year's record harvest. Orange production in the commercial producing zone in the state of Sao Paulo is estimated at 8.6 million tons (210 million 40.8-kilogram boxes), unchanged from the previous estimate (see WR-14-86), but down 9 percent from last year's record 9.4 million tons (230 million boxes). Despite dry conditions, Brazil produced a record orange crop in 1985 due to an increase in fruit-bearing trees, less selective picking and slightly higher yields per tree. The 1986 orange season began with a severe drought from June to December 1985 which affected the first bloom during August/September of 1985. Rains returned in January and provided a subsequent bloom which had a generally good set. The delayed out-of-season bloom will delay the 1986 harvest 2-3 months.

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South African Citrus Production Increases. The 1986 total citrus production for South Africa is forecast at 703,000 tons, 9 percent above last year's harvest and the largest crop since 1981, according to the U.S. agricultural counselor in Pretoria. The improvement in this year's crop is attributed to a return to more normal weather following last year's serious hail damage and three consecutive drought-reduced harvests. Irrigation water is still limited; however, water supplies are adequate in the main citrus producing areas of the eastern and northern Transvaal. In the eastern Cape Province, water has been diverted from the Orange River scheme to the Sundays River to bolster water supplies. Orange production in 1986 is forecast at 535,000 tons, up 10 percent; grapefruit production at 105,000 tons, up 3 percent; and lemon production at 63,000 tons, up 13 percent. The bulk of the citrus harvest occurs between April and October.

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RECENT PAPERS AND PUBLICATIONS

U.S. Perspective on the New Round of Trade Negotitions. This speech, presented by Leo V. Mayer, Associate Administrator of FAS at the Sixth Annual World Meat Congress at the Hague on May 29, 1986, outlines the United States' objectives in the area of agriculture for the new round of Multilateral Trade Negotiations which will open this fall. Single copies are available free by contacting FAS Information Division, Room 5922 South Building, USDA, Washington, D.C. 20250. Tel. (202) 447-7937.

EXPORT ENHANCEMENT INITIATIVES

The status of USDA's Export Enhancement Program as of May 28, 1986, was as follows in metric tons:

	ANNOUNCED INITIATIVES	DATE ANNOUNCED	QUANTITY/RESULTS	
32.	Sri Lanka Wheat	May 16, '86	125,000	
31	Saudia Arabia Barley	May 7, '86	500,000	
30.	Algeria Barley	April 17, '86	500,000	
29.	Morocco Dairy Cattle	Apr 16, '86	4,000 head	
28.	Turkey Dairy Cattle	Apr 16, '86	5,000 head	
27.	Egypt Dairy Cattle	Apr 16, '86	6,000 head	
26.	Yemen Poultry Feed	Apr 14, '86	150,000	
25.	Yugoslavia Wheat	Apr 10, '86	200,000	Sold 20,000
24.	Indonesia Dairy Cattle	Apr 9, '86	7,500 head	
23.	Syria Wheat	Apr 8, '86	700,000	
22.	Benin Wheat	Apr 7, '86	45,000	
21.	Algeria Table Eggs	Apr 4, '86	500 million	
20.	Iraq Dairy Cattle	Apr 4, '86	6,500 head	
19.	Jordan Wheat	Mar 19, '86	75,000	COMPLETE
18.	Tunisia Wheat	Mar 18, '86	300,000	Sold 50,000
17.	Algeria Wheat Flour	Feb 25, '86	100,000	
16.	Algeria Semolina	Feb 11, '86	250,000	
15.	Philippines Wheat	Jan 7, '86	150,000	COMPLETE
14.	Zaire Wheat	Dec 27, '85	40,000	Sold 20,000
		May 15, '86	40,000	
13.	Nigeria Barley Malt	Dec 10, '85	100,000	
12.	Iraq Wheat Flour	Dec 9, '85	150,000	Sold 75,000
11.	Egypt Poultry	Nov 26, '85	8,000	COMPLETE
		Mar 21, '86	15,000	COMPLETE
10.	Zaire Wheat Flour	Nov 18, '85	64,000	Sold 45,000
		May 15, '86	30,000	
9.	Philippine Wheat Flour	Nov 15, '85	100,000	Sold 50,000
8.	Jordan Rice	Nov 8, '85	40,000	Sold 22,700
7.	Turkey Wheat	Oct 16, '85	500,000	COMPLETE (506,600)
		May 8, '86	500,000	
6.	Morocco Wheat	Sept 30, '85	1,500,000	Sold 890,000
5.	Yemen Wheat	Sept 6, '85	100,000	Sold 50,000
4.	Yemen Wheat Flour	Aug 20, '85	50,000	Sold 31,500
		Apr 14, '86	100,000	
3.	Egypt Wheat	Jul 26, '85	500,000	COMPLETE
		Oct 30, '85	500,000	Sold 197,500
2.	Egypt Wheat Flour	Jul 2, '85	600,000	Sold 175,000
1.	Algeria Wheat	Jun 4, '85	1,000,000	COMPLETE
		Apr 10, '86	1,000,000	

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EXPORT ENHANCEMENT PROGRAM SUMMARY

Announced to Date	10,430,000 (grain equivalent) 500 million table eggs 23,000 tons frozen poultry 29,000 head dairy cattle
Sold to Date	3,431,500 wheat 517,300 flour, grain equivalent 23,000 frozen poultry 22,700 rice
Bonus	$183.3 million at book value (1,287,300 tons)

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Selected International Prices

Item	May 27, 1986	Change from a week ago	A year ago
ROTTERDAM PRICES 1/	$ per MT	$ per bu.	$ per MT	$ per MT
Wheat:				
Canadian No. 1 CWRS-13.5%.	N.Q.	--	--	183.00
U.S. No. 2 DNS/NS: 14%....	156.00	4.25	-7.00	165.00
U.S. No. 2 S.R.W.	117.50	3.20	-3.50	139.00
U.S. No. 3 H.A.D.....	170.00	4.63	-0-	176.00
Canadian No. 1 A: Durum...	N.Q.	--	--	184.25
Feed grains:				
U.S. No. 3 Yellow Corn....	119.00	3.02	-0-	130.50
Soybeans and meal:				
U.S. No. 2 Yellow.....	213.70	5.81	-.30	229.25
Brazil 47/48% SoyaPellets	190.00	--	+1.00	137.50
U.S. 44% Soybean Meal....	180.00	--	-3.00	141.00
U.S. FARM PRICES 3/				
Wheat.....	112.06	3.05	-8.08	120.51
Barley.....	59.71	1.30	--	83.59
Corn.....	94.49	2.40	+0.39	102.76
Sorghum.....	91.93	4.17 2/	+1.54	97.00
Broilers.....	1328.27	--	+102.51	1185.63
EC IMPORT LEVIES				
Wheat 5/.....	159.65	4.34	-15.15	73.90
Barley.....	152.60	3.32	-8.65	67.60
Corn.....	140.95	3.58	-11.15	60.00
Sorghum.....	150.25	3.82	-9.45	71.45
Broilers 4/ 6/ 8/.....	310.00	--	-9.00	160.00
EC INTERVENTION PRICES 7/ 9/				
Common wheat(feed quality)	190.65	5.19	-6.05	149.05
Bread wheat (min. quality)	202.50	5.51	-6.40	158.35
Barley and all other feed grains.....	190.65	--	-6.05	149.05
Broilers 4/ 6/.....	1,380.00	--	-52.00	1,070.00
EC EXPORT RESTITUTIONS (subsidies)				
Wheat	89.45	2.43	-6.75	28.25
Barley.....	N.A.	--	--	47.05
Broilers 4/ 6/ 8/.....	226.00	--	-7.00	94.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Five-day moving average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ Changes may be due partly to exchange rate fluctuations and/or ECU payments. N.A.=None authorized. N.Q.=Not quoted. Note: Basis June delivery.

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DEPOSITORY 329

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

GRAIN AND FEED

EC Sells Barley to Saudi Arabia. The European Community's (EC) Commission has authorized the sale of between 300-400,000 tons of intervention barley to Saudi Arabia at approximately $65 per ton free on board (FOB). Saudi Arabia, the world's largest barley importer, purchased about 5.4 million metric tons of barley in 1984/85 with about 2 million tons from both Australia and the EC, and about 50,000 tons from the United States. In 1985/86, Saudi Arabia is expected to import a record 5.5 million tons of barley.

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U.S. Share of Nigerian Wheat Market Declining. The U.S. agricultural attache in Nigeria reports that 1986 wheat import licenses have fallen sharply from a year ago and that the U.S. share of imported wheat has fallen to less than half. The United States has supplied nearly all Nigerian wheat imports in recent years. The decline in wheat import licenses is attributed to limited foreign exchange and the late issuance of 1986 licenses. Licenses were issued in March of this year as compared to January in most years. Sharply lower imports of U.S. wheat are probably a result of more competitively priced Argentine and Canadian wheat, and the termination of U.S. Export/Import Bank credit guarantees. Nigerian wheat imports average 1.5 million tons per year and are forecast at 1.6 million tons in 1986/87 (July-June).

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OILSEEDS AND PRODUCTS

Korea Permits Rapeseed Imports. Korea has announced that rapeseed imports for domestic use will be permitted for the first time, with a quota of 12,000 tons set for the second half of 1986. Rapeseed is a minor crop in Korea, with annual production totalling about 5,000 tons and declining. In the past, Korea allowed one crushing plant to process rapeseed, with the agreement that all products would be exported. Because of low profits, the plant stopped importing in 1983. Rapeseed oil will tend to displace soybean oil in the Korean domestic market and could hurt soybean imports. USDA estimates 1985/86 Korean soybean imports at 924,000 tons, with most of that expected to come from the United States.

DAIRY, LIVESTOCK AND POULTRY

Japanese Dairy Farmers Asked to Cut Milk Production. Producer cooperatives have asked Japan's dairy farmers to cut milk production by 3.1 percent to offset a decline in consumption of fluid milk. To achieve the reduction, the Ministry of Agriculture will pay farmers 25,000 yen (approximately $150 at current exchange rates) for each cow removed from production. The plan calls for culling 30,000 dairy cows (3 percent of the number milked) in addition to those normally removed from production. Culling is to take place between June 1986 and March 1987. If the plan is fully carried out, Japan's beef production will increase about 2 percent.

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Dominican Republic Increases Livestock Production. Livestock production in the Dominican Republic is projected to expand into 1987, according to the U.S. agricultural attache in Santo Domingo. Higher prices for beef and increased feed supplies have encouraged an expansion in beef production and cattle inventories. Beef production is up 8 percent this year to 65,000 tons and an additional 3,000-ton expansion is projected for 1987. Poultry production is estimated up 6 percent this year to 70,000 tons, with a further increase in 1987. A recovery in hog numbers is also projected for 1986 after a sharp drop during 1985 because of weak prices and reduced feed supplies.

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TOBACCO

Turkish Government Enacts Law Which May Increase U.S. Tobacco Exports. On May 27, Turkey's Grand National Assembly passed a bill which would abolish the country's tobacco monopoly. The provision to abolish the monopoly was a surprise addition to a bill which passed by a 2 to 1 margin. The Council of Ministers will decide how to privatize the monopoly and establish auction centers. Import of tobacco for cigarette manufacture will be allowed, but the import of cigarettes will not. The bill also calls for the establishment of an import surcharge above present tariffs on tobacco for cigarette manufacture with the money allocated for tobacco farmers' support and the domestic housing program. The bill also will encourage the expansion of domestic production of non-oriental tobacco and the establishment of auction centers. This bill should improve U.S. export opportunities for leaf tobacco to Turkey, as the private market will better cater to the consumers' taste for American-style cigarettes.

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Hong Kong Cigarette Prices to Rise. On May 13, Hong Kong's two major cigarette companies announced retail price increases, ranging from five to seven percent, on several major cigarette brands. Increases are considered the result of rising manufacturing costs, which include higher duties on unmanufactured tobacco and inflation. In 1985, U.S. exports of unmanufactured tobacco and cigarettes to Hong Kong were valued at $30.5 million and $167 million, respectively. Of total imports, the United States accounts for 25 percent of Hong Kong's unmanfactured tobacco imports and 70 percent of total cigarette imports. The price increase is not expected to cause a shift from locally manufactured cigarette brands to imported brands but is expected to have some effect on total consumption.

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Canadian Tobacco Industry Agrees on Production and Price Rates. On May 20, the Canadian Tobacco Manufacturers Council (CTMC) and the Ontario Flue-Cured Tobacco Growers Marketing Board (OFCTGMB) agreed on production and price schemes for the 1986 crop. The CTMC has established a guaranteed minimum price of Can$4.06 per kg. for all Canadian flue-cured tobacco consumed domestically. For exported tobacco, a minimum price of Can$2.64 per kg., unchanged from last year, was established. The CTMC will not provide an export incentive fund for 1986. Production in Ontario is set at 52,000 tons, about 30 percent lower than last year's 77,000 metric tons. This decrease will cause sharply lower income, despite the setup of an adjustment fund of Can$12.3 million to bolster farmer income. These changes will likely reduce Canadian tobacco exports to the United States, which amounted to 7,683 tons in 1985.

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World Tobacco Production Down. World 1986 total unmanufactured tobacco production is forecast at 6.6 million tons, down 4 percent from last year and 5 percent below the 1982 production record of 6.9 million tons. The total unmanufactured tobacco crop in China, the world's largest producer, is forecast at 2.1 million tons, 7 percent below last year's record crop of 2.3 million tons. Despite efforts in recent years to curb output and improve tobacco quality, excess production and quality problems continue to plague the Chinese tobacco industry. To correct these problems, the Chinese government has introduced a new, more specific grading system which is a simplified version of the U.S. system. In the United States, total unmanufactured tobacco production is projected down 12 percent. A 6 percent decline in production area, sluggish domestic demand, and excess stocks are contributing to the lower projected output.

Other major tobacco-producing countries with smaller crop prospects include Canada, Brazil, Italy, Poland, the Philippines, Thailand, and Pakistan. With the exception of Poland and the Philippines, production in these countries is projected to be less due to weather-related problems and/or high stock levels. Lower yields are expected in Poland and a shift from tobacco to more profitable crops is occurring in the Philippines.

The 1986 world flue-cured tobacco crop is forecast at 3.5 million tons, 7 percent less than last year's crop. Production is forecast down 8 percent in China, the world's largest producer, mainly due to a 7 percent area decrease. The world's third largest producer, Brazil, also faces declining production due to drought. This year's Brazilian crop also has quality problems which could have an adverse impact on exports. Canada's production is forecast down 28 percent due to a reduced area planted caused by weak domestic and export demand and high stock levels. Other major flue-cured producers with smaller projected crops include the United States, the second largest flue-cured producer, India, the Philippines, Italy, and Pakistan.

World burley tobacco production in 1986 is projected to fall 4 percent from last year and total 669,000 tons. Production in the United States, the world's largest producer, is anticipated to be 8 percent less, mainly due to a 5 percent decline in area. Smaller crops are also forecast in Italy, the Philippines and Thailand.

World oriental tobacco production is forecast at 955,000 tons, up 3 percent from last year. In the Soviet Union, the world's largest producer, output is projected to be slightly above last year. Soviet farmers did not have to replant tobacco plants because of timely spring weather. This year's Soviet crop is expected to reach a near-record level due to increased inputs. Production in Turkey, the world's second largest producer, is forecast to increase 2 percent as the government continues to emphasize quality tobacco. Farmers are also being encouraged not to plant tobacco on low-yielding lands.

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The 1986 world dark air/sun-cured tobacco crop is forecast at 1.08 million tons, 2 percent less than last year. In India, the world's largest producer, output is forecast up 4 percent from last year due to a corresponding area increase. In Indonesia, production is expected to be 5 percent greater than last year due to a slight increase in area. Output in China is expected to be in line with last year's level. However, estimates of production increases in these 3 countries are more than offset by estimates of sharp production decreases in Brazil, Pakistan and Poland.

World unmanufactured tobacco production for 1985 and 1986 by leaf type, is forecast as follows:

Leaf type	Revised 1985	Forecast 1986
	1000 Metric Tons	
Flue-cured	3,707.2	3,462
Burley	695.5	669
Oriental	925.0	955
Dark air/Sun-cured	1,097.7	1,080
Light air-cured	141.1	125
Dark air-cured, cigar	205.7	199
Dark fire-cured	76.0	66
TOTAL	6,850.2	6,556

EXPORT ENHANCEMENT INITIATIVES

The status of USDA's Export Enhancement Program as of June 3, 1986, was as follows in metric tons:

ANNOUNCED INITIATIVES	DATE ANNOUNCED	QUANTITY/RESULTS	
34. Tunisia Dairy Cattle	May 29, '86	4,000 head	
33. Algeria Dairy Cattle	May 29, '86	5,000 head	
32. Sri Lanka Wheat	May 16, '86	125,000	
31. Saudia Arabia Barley	May 7, '86	500,000	
30. Algeria Barley	April 17, '86	500,000	
29. Morocco Dairy Cattle	Apr 16, '86	4,000 head	
28. Turkey Dairy Cattle	Apr 16, '86	5,000 head	
27. Egypt Dairy Cattle	Apr 16, '86	6,000 head	
26. Yemen Poultry Feed	Apr 14, '86	150,000	
25. Yugoslavia Wheat	Apr 10, '86	200,000	Sold 133,000
24. Indonesia Dairy Cattle	Apr 9, '86	7,500 head	
23. Syria Wheat	Apr 8, '86	700,000	
22. Benin Wheat	Apr 7, '86	45,000	
21. Algeria Table Eggs	Apr 4, '86	500 million	
20. Iraq Dairy Cattle	Apr 4, '86	6,500 head	
19. Jordan Wheat	Mar 19, '86	75,000	COMPLETE
18. Tunisia Wheat	Mar 18, '86	300,000	Sold 50,000
17. Algeria Wheat Flour	Feb 25, '86	100,000	
16. Algeria Semolina	Feb 11, '86	250,000	
15. Philippines Wheat	Jan 7, '86	150,000	COMPLETE (152,400)
14. Zaire Wheat	Dec 27, '85	40,000	Sold 20,000
	May 15, '86	40,000	
13. Nigeria Barley Malt	Dec 10, '85	100,000	
12. Iraq Wheat Flour	Dec 9, '85	150,000	Sold 75,000
11. Egypt Poultry	Nov 26, '85	8,000	COMPLETE
	Mar 21, '86	15,000	COMPLETE
10. Zaire Wheat Flour	Nov 18, '85	64,000	Sold 45,000
	May 15, '86	30,000	
9. Philippine Wheat Flour	Nov 15, '85	100,000	Sold 50,000
8. Jordan Rice	Nov 8, '85	40,000	Sold 22,700
7. Turkey Wheat	Oct 16, '85	500,000	COMPLETE (506,600)
	May 8, '86	500,000	
6. Morocco Wheat	Sept 30, '85	1,500,000	Sold 890,000
5. Yemen Wheat	Sept 6, '85	100,000	Sold 50,000
4. Yemen Wheat Flour	Aug 20, '85	50,000	Sold 31,500
	Apr 14, '86	100,000	
3. Egypt Wheat	Jul 26, '85	500,000	COMPLETE
	Oct 30, '85	500,000	COMPLETE (512,500)
2. Egypt Wheat Flour	Jul 2, '85	600,000	Sold 329,000
1. Algeria Wheat	Jun 4, '85	1,000,000	COMPLETE
	Apr 10, '86	1,000,000	

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EXPORT ENHANCEMENT PROGRAM SUMMARY

Announced to Date	10,600,000 (grain equivalent) 500 million table eggs 23,000 tons frozen poultry 38,000 head dairy cattle
Sold to Date	3,889,500 wheat 726,800 flour, grain equivalent 23,000 frozen poultry 22,700 rice
Bonus	$209.3 million at book value (1,464,600 tons)

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Selected International Prices

Item	June 3, 1986		Change from a week ago	A year ago
ROTTERDAM PRICES 1/	$ per MT	$ per bu.	$ per MT	$ per MT
Wheat:				
Canadian No. 1 CWRS-13.5%.	N.Q.	--	--	183.50
U.S. No. 2 DNS/NS: 14%....	154.00	4.19	-2.00	168.50
U.S. No. 2 S.R.W.	120.00	3.27	+2.50	139.00
U.S. No. 3 H.A.D.....	176.00	4.79	+6.00	174.00
Canadian No. 1 A: Durum...	N.Q.	--	--	182.00
Feed grains:				
U.S. No. 3 Yellow Corn....	119.00	3.02	-0-	129.00
Soybeans and meal:				
U.S. No. 2 Yellow.....	211.20	5.74	-2.50	227.00
Brazil 47/48% SoyaPellets	187.00	--	-3.00	136.50
U.S. 44% Soybean Meal....	179.50	--	-0.50	138.00
U.S. FARM PRICES 3/				
Wheat.....	92.58	2.52	-19.47	118.30
Barley.....	65.68	1.43	+5.97	81.30
Corn.....	94.09	2.39	-0.39	103.54
Sorghum.....	90.17	4.09 2/	-1.76	98.10
Broilers.....	1251.77	--	-76.50	1158.67
EC IMPORT LEVIES				
Wheat 5/.....	160.60	4.37	+0.95	80.95
Barley.....	154.70	3.37	+2.10	71.05
Corn.....	143.40	3.64	+2.45	63.60
Sorghum.....	150.80	3.83	+0.55	79.75
Broilers 4/ 6/ 8/.....	334.00	--	+2.00	163.00
EC INTERVENTION PRICES 7/ 9/				
Common wheat(feed quality)	191.60	5.21	+0.95	152.00
Bread wheat (min. quality)	203.45	5.54	+0.95	161.45
Barley and all other feed grains.....	191.60	--	-0.05	152.00
Broilers 4/ 6/.....	1,388.00	--	+8.00	1,040.00
EC EXPORT RESTITUTIONS (subsidies)				
Wheat	N.A.	--	--	29.95
Barley.....	N.A.	--	--	47.50
Broilers 4/ 6/ 8/.....	246.00	--	+1.00	96.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Five-day moving average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ Changes may be due partly to exchange rate fluctuations and/or ECU payments. N.A.=None authorized. N.Q.=Not quoted. Note: Basis June delivery.

WR 23-86

World Production and Trade

United States Department of Agriculture

Foreign Agricultural Service

Washington, D.C. 20250

Weekly Roundup

WR 23-86

June 11, 1986

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The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

GRAIN AND FEED

Spanish Grain Production Declines. The Spanish grain crop estimate for 1986/87 has been reduced because of hot, dry weather during May. The barley crop is estimated at 8.5 million metric tons, down 1.4 million, and wheat is estimated at 4.7 million tons, down 0.6 million. Spanish grain production had increased sharply in recent years with bumper harvests in 1984 and 1985. This increase had caused a drop in corn imports, although they did reach 3.8 million tons in calendar year 1985. Now that Spain is a member of the European Community (EC), variable levies are diminishing demand for feed grain imports from outside countries and allowing for greater intra-Community feed grain trade.

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South African Corn Exports May Fall. South Africa may have lower exportable corn supplies for the last four months of 1985/86 (Oct/Sept) and next year which could mean less competition for U.S. corn, particularly in Asian markets. In the past few months, South Africa has exported about 230,000 tons of corn to Taiwan and offered to sell more than 1 million tons to its traditional Asian markets of Japan, Korea, and Taiwan. Lower than expected yields for the 1985/86 crop could lead to a reduction in exportable corn supplies during 1986/87 (April/May) from 2.9 million to about 2.2 million tons. South Africa has been virtually absent from export markets the past two years due to drought-reduced production.

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A 67.42:

Mexico to Import Less Corn and Sorghum. A troubled economy and foreign exchange shortages may cause Mexican imports of non-U.S. corn and sorghum to decline in 1985/86 (Oct/Sept). A reduction in consumer purchasing power will likely result in lower than anticipated grain consumption, while a shortage of foreign exchange has caused Mexico to minimize agricultural purchases. Recently, Argentina postponed a shipment of 500,000 tons of corn because it could not secure credit for Mexico. Apparently $40 million in credit obtained by Mexico last month to purchase Argentine grain will be used to buy other commodities such as soybeans. Mexico, which is currently expected to purchase about 3.9 million tons of coarse grains in 1985/86, has about $22 million in FY 1986 GSM-102 financing remaining for feed grains.

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Korean Wheat Imports Could Decline. The Korean government has reduced initial calendar year 1986 milling wheat import quotas to 1.9 million tons. Since the United States historically supplies nearly all Korea's milling wheat imports, the quota reduction could mean sharply lower imports of U.S. wheat in 1986/87 (July/June). Despite lower import quotas, Korea imported about 1.9 million tons of U.S. wheat last year by using carryover 1984 licenses and advance 1986 licenses. However, decreased availability of 1986 licenses may force Korean millers to shut down before the end of the year unless import quotas are substantially increased or advances against 1987 licenses are obtained. Last month, the Korean government also reduced 1986 import quotas for feed grains in an attempt to stimulate domestic production.

OILSEEDS AND PRODUCTS

India Increases Imported Oil Share for Vanaspati Production. Beginning this month, the Indian government has increased the allocation of imported edible oil that can be used in vanaspati production. The vanaspati industry can now meet up to half of its total requirements with imported oils; previously this rate was 40 percent. Domestic vegetable oil prices in recent weeks have strengthened as a result of the significant decline in oil production. The percentage of imported edible oil in vanaspati producton has varied greatly in the last year from a high of 95 percent to a low of 30 percent. USDA forecasts 1985/86 India's soybean oil imports at 225,000 tons compared to last year's level of 398,000 tons.

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Indonesia Expected to Double Soybean Imports. Indonesia's first soybean crushing plant is expected to begin operation in 1987. The U.S. agricultural counselor in Jakarta forecasts soybean imports will double to 600,000 tons in 1986/87, and the U.S. share of the Indonesian soybean market will increase as U.S. prices become more competitive. Soybean meal imports in 1986/87 are expected to drop from last year's level of 180,000 tons when the soybean crushing facility begins operation.

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Ecuador Prohibits Imports of Soybean Oil. The Ecuadorean government has decided to cut off soybean oil imports from all sources. The move had been considered since last December. Government officials cited the need to stimulate domestic production of palm oil and soybeans, and limited foreign exchange availabilities as reasons for the ban. Industry officials believe that supplies will be tight through the remainder of 1986 and that some shortages could occur in July and August. The U.S. agricultural attache in Quito can not confirm whether sales already registered under the GSM-102 program will be carried through. USDA previously forecast Ecuador's 1985/86 soybean oil imports at 30,000 tons. The May 30 USDA Export Sales Report indicated 23,300 tons shipped and 1,800 tons outstanding for 1985/86.

COTTON AND FIBERS

Chinese Farmers Losing Interest in Growing Cotton. According to the U.S. agricultural counselor in Beijing, Chinese cotton farmers are less interested in growing cotton in 1986/87 due to lower cotton prices. During the 1985/86 cotton season, Chinese cotton farmers' income was reduced due to government efforts to curtail production and weather-related quality problems. Moreover, increasing demand for grains for livestock feed and strong prices for peanuts, vegetables, watermelon, and other crops resulted in lower cotton plantings. Because of the government's concern that lower cotton prices might encourage farmers to plant other crops, cotton farmers are being told to honor their 1986/87 contract or face a cut in their 1987/88 contracts.

COCOA

Nigerian Cocoa Crop Drops Sharply. According to the U.S. agricultural attache in Lagos, the 1985/86 Nigerian cocoa crop is now estimated at 95,000 tons, down 17 percent from the last forecast. The estimate is down 55,000 tons from the revised estimate of the 1984/85 harvest. The production drop was attributed primarily to both short supplies and high prices for fungicides and insecticides. The failure to adequately use plant protection chemicals led to black pod and capsid problems. Also contributing to the production decline were labor shortages, aging and diseased trees, and low producer prices which resulted in poor husbandry practices and maintenance. In 1984/1985 (Oct/Sept), Nigeria's total exports were 149,000 tons. These estimates do not include cocoa marketed through Benin. Effective in September, the Nigerian Cocoa Board will be dismantled; it is uncertain what organization will replace it.

U.S. AGRICULTURAL TRADE

Cumulative U.S. agricultural exports during October-April 1986 totaled $17.3 billion, down $4.1 billion (19 percent) from the same period a year earlier. Export volume during the first seven months of FY 1986 totaled 72.2 million tons, off about 17 percent from the 86.7 million tons exported during the first seven months of FY 1985.

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Agricultural exports during April 1986 totaled $2.12 billion, down $533 million (20 percent) from April 1985, and 12 percent below the $2.4 billion exported during the previous month. Export volume for April 1986 totaled 7.8 million tons, down about 25 percent from the 10.4 million tons exported during April 1985, and 1.6 million tons below the previous month.

The sharpest year-to-year market declines thus far in FY 1986 have occurred in exports of wheat, corn, rice, grain sorghum, cotton, tobacco, soybean oil, and sunflowerseed. These declines are due to both unit value and volume declines from a year earlier. Such declines have been only partially offset by value gains in exports of soybeans, soybean meal, livestock and products, dairy products, poultry products, corn gluten feed, wheat flour, and some horticultural products.

U.S. agricultural imports during October-April 1986 totaled $12.3 billion, up about 4 percent from the $11.8 billion imported during the same period of FY 1985. The overall net surplus of agricultural trade during October-April 1986 amounted to $5.0 billion, down 48 percent from a net surplus of $9.6 billion during the same period a year earlier.

U.S. Agricultural Trade
(Billion Dollars)

	FISCAL YEAR			OCT-APR		
	1985 Actual	1986 Forecast	Percent Change	1985 Actual	1986 Actual	Percent Change
Exports	31.2	27.5	-12	21.4	17.3	-19
Imports	19.8	20.0	+1	11.8	12.3	+4
Trade 1/ Balance	11.4	7.5	-34	9.6	5.0	-48

1/ Totals and/or percent changes may differ due to rounding.

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EXPORT ENHANCEMENT INITIATIVES

The status of USDA's Export Enhancement Program as of June 9, 1986, was as follows in metric tons:

ANNOUNCED INITIATIVES	DATE ANNOUNCED	QUANTITY/RESULTS	
34. Tunisia Dairy Cattle	May 29, '86	4,000 head	
33. Algeria Dairy Cattle	May 29, '86	5,000 head	
32. Sri Lanka Wheat	May 16, '86	125,000	
31. Saudia Arabia Barley	May 7, '86	500,000	
30. Algeria Barley	Apr 17, '86	500,000	
29. Morocco Dairy Cattle	Apr 16, '86	4,000 head	
28. Turkey Dairy Cattle	Apr 16, '86	5,000 head	
27. Egypt Dairy Cattle	Apr 16, '86	6,000 head	
26. Yemen Poultry Feed	Apr 14, '86	150,000	
25. Yugoslavia Wheat	Apr 10, '86	200,000	Sold 153,000
24. Indonesia Dairy Cattle	Apr 9, '86	7,500 head	
23. Syria Wheat	Apr 8, '86	700,000	
22. Benin Wheat	Apr 7, '86	45,000	Sold 10,000
21. Algeria Table Eggs	Apr 4, '86	500 million	
20. Iraq Dairy Cattle	Apr 4, '86	6,500 head	
19. Jordan Wheat	Mar 19, '86	75,000	COMPLETE
18. Tunisia Wheat	Mar 18, '86	300,000	Sold 50,000
17. Algeria Wheat Flour	Feb 25, '86	100,000	
16. Algeria Semolina	Feb 11, '86	250,000	
15. Philippines Wheat	Jan 7, '86	150,000	COMPLETE (152,400)
14. Zaire Wheat	Dec 27, '85	40,000	Sold 20,000
	May 15, '86	40,000	
13. Nigeria Barley Malt	Dec 10, '85	100,000	
12. Iraq Wheat Flour	Dec 9, '85	150,000	Sold 75,000
11. Egypt Poultry	Nov 26, '85	8,000	COMPLETE
	Mar 21, '86	15,000	COMPLETE
10. Zaire Wheat Flour	Nov 18, '85	64,000	Sold 45,000
	May 15, '86	30,000	
9. Philippine Wheat Flour	Nov 15, '85	100,000	Sold 50,000
8. Jordan Rice	Nov 8, '85	40,000	Sold 22,700
7. Turkey Wheat	Oct 16, '85	500,000	COMPLETE (506,600)
	May 8, '86	500,000	
6. Morocco Wheat	Sept 30, '85	1,500,000	Sold 890,000
5. Yemen Wheat	Sept 6, '85	100,000	Sold 50,000
4. Yemen Wheat Flour	Aug 20, '85	50,000	Sold 31,500
	Apr 14, '86	100,000	
3. Egypt Wheat	Jul 26, '85	500,000	COMPLETE
	Oct 30, '85	500,000	COMPLETE (512,500)
2. Egypt Wheat Flour	Jul 2, '85	600,000	COMPLETE
1. Algeria Wheat	Jun 4, '85	1,000,000	COMPLETE
	Apr 10, '86	1,000,000	

EXPORT ENHANCEMENT PROGRAM SUMMARY

Announced to Date	10,600,000 (grain equivalent) 500 million table eggs 23,000 tons frozen poultry 38,000 head dairy cattle
Sold to Date	3,919,500 wheat 1,098,050 flour, grain equivalent 23,000 frozen poultry 22,700 rice
Bonus	$240.9 million at book value (1,679,500 tons)

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Selected International Prices

Item	June 10, 1986	Change from a week ago	A year ago
ROTTERDAM PRICES 1/	$ per MT	$ per bu.	$ per MT	$ per MT
Wheat:				
Canadian No. 1 CWRS-13.5%.	N.Q.	--	--	184.00
U.S. No. 2 DNS/NS: 14%....	146.00	3.97	-8.00	165.00
U.S. No. 2 S.R.W.	116.00	3.16	-4.00	139.00
U.S. No. 3 H.A.D.10/.....	145.00	3.95	-31.00	171.00
Canadian No. 1 A: Durum...	N.Q.	--	--	178.00
Feed grains:				
U.S. No. 3 Yellow Corn....	118.00	3.00	-1.00	128.50
Soybeans and meal:				
U.S. No. 2 Yellow.....	213.10	5.80	+1.90	231.50
Brazil 47/48% SoyaPellets	190.00	--	--	142.50
U.S. 44% Soybean Meal....	182.00	--	+2.00	141.00
U.S. FARM PRICES 3/				
Wheat.....	91.12	2.40	-1.47	119.77
Barley.....	65.68	1.43	--	78.08
Corn.....	94.09	2.39	--	104.72
Sorghum.....	89.73	4.07 2/	-0.44	98.99
Broilers.....	1203.49	--	-48.28	1180.56
EC IMPORT LEVIES				
Wheat 5/.....	168.80	4.59	+8.20	80.35
Barley.....	159.80	3.48	+5.10	70.75
Corn.....	149.40	3.79	+6.00	64.50
Sorghum.....	158.10	4.02	+7.30	78.55
Broilers 4/ 6/ 8/.....	341.00	--	+7.00	160.00
EC INTERVENTION PRICES 7/ 9/				
Common wheat(feed quality)	195.45	5.32	+3.85	149.25
Bread wheat (min. quality)	207.55	5.64	+4.10	158.55
Barley and all other feed grains.....	195.45	--	+3.85	149.25
Broilers 4/ 6/.....	1,397.00	--	+9.00	1,086.00
EC EXPORT RESTITUTIONS (subsidies)				
Wheat	N.A.	--	--	N.A.
Barley.....	N.A.	--	--	N.A.
Broilers 4/ 6/ 8/.....	251.00	--	+5.00	94.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Five-day moving average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ Changes may be due partly to exchange rate fluctuations and/or ECU payments. 10/ August delivery. N.A.=None authorized. N.Q.=Not quoted. Note: Basis June delivery.

U.S. AGRICULTURAL EXPORTS TO ALL DESTINATIONS
OCTOBER 1984 - APRIL 1986

COMMODITIES	UNIT	CUMULATIVE TO DATE QUANTITY 10/84-04/85	QUANTITY 10/85-04/86	% DIF	VALUE 10/84-04/85	VALUE 10/85-04/86	% DIF	CURRENT MONTH (APRIL) QUANTITY 1985	QUANTITY 1986	% DIF	VALUE 1985	VALUE 1986	% DIF
GRAINS AND FEEDS													
WHEAT & WHEAT FLOUR.	MT	19081.584	14126.354	-26	2,950,447	-1,577,573	-33	1971.535	1666.8851	-15	313.046	210,433	-26
WHEAT	MT	18621.544	13451.170	-28	2,844,479	1,055,317	-35	1845.507	1535.576	-17	284.213	210,751	-26
WHEAT FLOUR	MT	460.040	675.184	+47	105,968	122,256	+15	126,028	130,909	+4	28,833	27,682	-4
RICE	MT	1096.581	857,824	-18	380,579	328,665	-14	154,614	99,009	-36	50,547	32,478	-36
COARSE GRAINS	MT	37125.432	26795.840	-32	4,902,145	2,877,683	-41	4764.269	1691.187	-64	599,582	183,177	-69
CORN	MT	33374.745	24092.206	-28	4,221,525	2,616,183	-38	4258.590	1458.167	-66	538,236	155,075	-70
GRAIN SORGHUM	MT	4861.285	2513.117	-48	563,863	241,253	-57	455.691	216,428	-57	60,455	22,478	-63
BARLEY	MT	879.420	183.398	-79	115,124	18,657	-84	4,550	15,683	+217	582	1,523	+162
OATS	MT	4.729	8,810	+86	651	1,323	+103	520	712	+37	57	80	+41
RYE	MT	5.245	2.305	-56	552	227	-61	118	197	+66	12	21	+75
FEEDS & FODDERS 1/	MT	3678.585	4626.023	+19	551,584	657,283	+18	555.676	682.008	+14	90,370	108,991	+21
PULSES	MT	272,370	295,216	+8	127,171	140,650	+11	19.796	18.778	-5	9,840	8,255	-16
BEANS, DRIED	MT	173.578	202.346	+16	88,353	97,080	+9	10,684	13,779	+29	5,557	6,352	+15
PEAS, DRIED	MT	79.353	65.755	-17	25,224	22,133	-12	6,417	4,412	-31	2,053	1,362	-35
LENTILS, ETC., DRI	MT	18.999	27,071	+42	12,554	21,437	+70	2,655	587	-78	2,190	548	-75
OTHER	XXX				225,590	201,808	-11				41,103	29,555	-27
TOTAL	XXX				9,178,317	6,223,666	-32				1104,227	601,334	-46
OILSEEDS & PRODUCTS													
TOTAL OILSEEDS	MT	14139.867	16085.253	+14	3,480,400	3,470,494	-1	1652.046	2251.550	+33	405,845	485,722	+19
SOYBEANS	MT	13126.355	15650.266	+19	3,083,919	3,251,713	+5	1644.178	2167.382	+33	384,675	455,007	+18
SUNFLOWER SEED	MT	721.040	161.934	-78	222,185	46,655	-79	15,668	19,675	+24	6,111	6,702	+10
PEANUTS	MT	202.820	242.489	+20	151,600	161,864	+7	21,637	37,636	+72	15,757	21,757	+38
OTHER OILSEEDS	MT	89.552	30.570	-66	22,696	10,262	-55	10,163	6,695	-32	3,262	2,216	-32
SOYBEAN MEAL	MT	2828.192	3732.301	+32	548,563	745,655	+36	351.417	551.539	+57	64,508	111,663	+73
OTHER MEAL	MT	91.653	80.373	-15	12,705	11,200	-12	6.967	10.917	+57	896	2,021	+125
TOTAL VEG. OILS	MT	880.623	725.077	-18	648,499	434,808	-33	77.587	131.622	+69	59,690	68,910	+15
SOYBEAN OIL	MT	508.645	288.737	-43	364,177	165,057	-55	30,335	56,256	+85	22,557	27,415	+19
SUNFLOWER OIL	MT	96.458	155.330	+56	67,021	86,075	+28	10,210	21,285	+108	6,781	10,321	+52
COTTONSEED OIL	MT	146.057	118.831	-19	102,683	66,426	-35	17,663	23,876	+35	12,432	11,905	-4
OTHER VEG. OILS	MT	125.783	162.179	+29	115,618	117,206	+1	19,779	30,205	+53	17,480	19,205	+10
OTHER	XXX				62,318	55,810	-4				9,956	8,788	-12
TOTAL	XXX				4,764,909	4,722,011	-1				544,935	677,124	+24
SEEDS	MT	153.870	146.283	-5	243,442	259,502	+7	20.847	10.952	-47	24,107	16,587	-31
COTTON & LINTERS													
RAW COTTON 2/	STB	4360.110	1389.786	-68	1,471,362	467,251	-68	577.801	172.578	-70	162,625	57,158	-65
LINTERS 2/	STB	121.250	108.723	-10	15,658	9,354	-40	16,049	16,507	+3	1,345	1,458	+8
SILK	STB	252	205	-30	294	79	-73	51		-100	13		-100
TOTAL	STB	4481.652	1498.715	-67	1,487,314	476,724	-68	593.901	189.085	-68	183,987	58,617	-68

U.S. AGRICULTURAL EXPORTS TO ALL DESTINATIONS
OCTOBER 1984 - APRIL 1986

COMMODITIES	UNIT	CUMULATIVE TO DATE QUANTITY 10/84-04/85	QUANTITY 10/85-04/86	% DIF	CUMULATIVE TO DATE VALUE 10/84-04/85	VALUE 10/85-04/86	% DIF	CURRENT MONTH (APRIL) QUANTITY 1985	QUANTITY 1986	% DIF	VALUE 1985	VALUE 1986	% DIF
TOBACCO UNMFG.													
BURLEY	MT	36,363	34,120	-6	265,950	219,485	-17	12,242	12,051	-2	88,408	78,494	-12
FLUE-CURED	MT	123,960	100,402	-19	838,943	650,337	-22	8,363	4,844	-42	53,534	31,378	-41
FIRE-SUN CURED	MT	4,414	6,235	+41	22,650	28,478	+26	1,543	690	-55	7,953	3,301	-58
MARYLAND	MT	1,171	1,161	-1	8,027	7,775	-3	84	118	+40	608	899	+48
CIGAR	MT	855	808	-6	19,313	20,465	+6	159	99	-38	2,777	2,882	+4
OTHER LEAF	MT	2,266	5,006	+121	17,476	35,031	+100	247	463	+88	2,057	3,705	+77
STEMS	MT	26,580	24,354	-8	41,793	46,113	+15	1,584	2,930	+48	7,664	5,714	-26
TOTAL	MT	195,613	172,086	-12	1,214,153	1,008,685	-17	24,623	21,155	-14	164,064	126,378	-23
POULTRY PRODUCTS													
MEAT													
BROILER	MT	113,234	124,475	+10	121,595	126,718	+4	15,237	19,795	+30	15,463	19,227	+24
TURKEY	MT	7,741	7,557	-2	10,322	8,743	-15	740	1,165	+57	850	1,030	+16
OTHER POULTRY MEAT	MT	5,338	4,455	-17	5,578	5,012	-10	682	360	-47	682	407	-40
EGGS	DOZ	16,361	14,344	-12	22,536	20,222	-12	2,285	2,251	-1	2,551	3,860	+31
EGG PRODUCTS	MT	6,116	13,505	+121	10,898	19,754	+81	564	2,725	+183	1,251	2,578	+131
OTHER	XXX				62,168	80,627	+30				9,360	9,476	+1
TOTAL	XXX				233,502	261,077	+12				30,637	36,578	+21
DAIRY PRODUCTS													
NON-FAT DRY MILK	MT	163,755	183,576	+12	103,662	108,943	+5	28,838	21,005	-27	19,131	12,767	-33
CHEESE	MT	7,860	7,604	-3	15,428	15,219	-1	1,153	438	-62	1,973	1,546	-22
BUTTER	MT	19,198	20,610	+7	28,771	31,823	+11	6,346	98	-98	9,267	131	-99
OTHER	XXX				79,521	79,654	---				18,305	12,340	-33
TOTAL	XXX				227,382	235,638	+4				48,696	26,785	-45
LIVESTOCK & PRODS.													
MEAT	MT	224,191	233,093	+4	491,149	534,431	+9	29,407	34,441	+17	68,685	83,951	+22
BEEF	MT	65,208	69,645	+7	283,759	302,337	+7	10,067	10,448	+4	43,582	46,472	+7
PORK	MT	26,471	18,424	-30	46,268	49,848	+8	3,553	3,276	-8	5,438	10,206	+88
VARIETY	MT	132,512	145,020	+9	161,122	182,246	+13	15,787	20,716	+31	19,665	27,273	+39
TALLOW	MT	654,403	751,105	+15	332,504	278,577	-16	88,071	97,822	+11	43,257	34,374	-21
LARD	MT	27,885	30,831	+11	18,595	15,907	-16	4,734	4,451	-6	2,655	2,116	-20
LIVE CATTLE	NO	76,093	57,844	-24	62,368	68,655	+10	10,046	4,541	-55	8,181	4,035	-51
CATTLE HIDES	XXX				612,414	643,419	+5				81,005	93,779	+16
FURSKINS	NO	10716,813	9694,578	-10	173,694	155,282	-11	2165,252	1513,135	-30	28,085	22,643	-22
OTHER	XXX				323,152	368,278	+20				38,117	42,562	+12
TOTAL	XXX				2,014,240	2,084,550	+3				270,554	283,461	+5

U.S. AGRICULTURAL EXPORTS TO ALL DESTINATIONS
OCTOBER 1984 - APRIL 1986

COMMODITIES	UNIT	CUMULATIVE TO DATE QUANTITY 10/84-04/85	CUMULATIVE TO DATE QUANTITY 10/85-04/86	% DIF	CUMULATIVE TO DATE VALUE 10/84-04/85	CUMULATIVE TO DATE VALUE 10/85-04/86	% DIF	CURRENT MONTH (APRIL) QUANTITY 1985	CURRENT MONTH (APRIL) QUANTITY 1986	% DIF	CURRENT MONTH (APRIL) VALUE 1985	CURRENT MONTH (APRIL) VALUE 1986	% DIF
HORTICULTURAL PROD.													
TREE NUTS	MT	135,671	150,825	+11	309,450	328,908	+6	13,555	17,752	+31	34,151	44,432	+30
FRUIT					669,396	684,572	-1				94,999	96,810	+2
FRESH, CITRUS	MT	471,191	490,263	+4	245,442	263,037	+7	84,352	95,197	+13	45,885	51,124	+11
FRESH, NON-CITRUS	MT	258,889	231,354	-11	174,167	170,537	-2	16,019	16,697	-7	14,279	13,549	-5
CANNED	MT	38,357	35,074	-9	39,322	35,384	-10	4,738	6,387	+35	5,226	6,144	+18
DRIED	MT	69,066	77,661	+13	98,164	107,955	+10	8,546	9,788	+15	11,839	12,144	+3
JUICES	GAL	69,012	56,484	-18	112,301	87,659	-22	10,521	8,443	-23	17,790	13,849	-22
VEGETABLES,FRESH	MT	368,437	316,704	-14	145,986	136,507	-6	56,023	58,297	+4	24,722	25,314	+2
VEG., PREP., PRES	MT	175,548	195,982	+12	161,701	166,333	+3	24,435	29,187	+19	21,943	26,279	+20
OTHER	XXX				246,363	256,752	+4				36,052	40,062	+5
TOTAL	XXX				1,532,895	1,553,072	+1				213,907	232,896	+9
SUGAR & TROP. PRODS.													
SUGAR & SWEETENERS	XXX				82,002	72,213	-12				12,442	10,074	-19
COFFEE	MT	7,614	8,081	+6	56,464	57,034	+1	858	1,235	+37	6,808	8,596	+26
FLAVORING SYRUPS	XXX				98,148	95,140	-3				17,031	14,907	-12
OTHER	XXX				229,276	222,194	-3				30,844	26,684	-13
TOTAL	XXX				465,890	446,582	-4				67,124	60,261	-10
GRAND TOTAL	XXX				21,362,443	17,272,948	-19				2652,739	2120,420	-20

NOTE: VALUE UNITS ARE IN THOUSANDS OF DOLLARS. GALLON UNITS ARE IN THOUSANDS OF UNITS. DOZEN UNITS ARE IN THOUSANDS OF UNITS.
XXX INDICATES QUANTITY TOTALS ARE NOT MEANINGFUL WHERE UNITS OF MEASURE DIFFER.
--- INDICATES CHANGE LESS THAN 1 PERCENT. *** INDICATES CHANGE GREATER THAN 999 PERCENT.

1/ INCLUDES BY-PRODUCTS.
2/ STATISTICAL BALE = 480 LBS.

SOURCE: U.S. CENSUS DATA (UNADJUSTED).

TRADE AND ECONOMIC INFORMATION DIVISION
TRADE AND MARKETING BRANCH, IAS, FAS, USDA

U.S. AGRICULTURAL IMPORTS FROM ALL SOURCES
OCTOBER 1984 - APRIL 1986

COMMODITIES	UNIT	CUMULATIVE TO DATE						CURRENT MONTH (APRIL)					
		QUANTITY			VALUE			QUANTITY			VALUE		
		10/84-04/85	10/85-04/86	% DIF	10/84-04/85	10/85-04/86	% DIF	1985	1986	% DIF	1985	1986	% DIF
GRAINS AND FEEDS													
WHEAT & PRODUCTS	MT	169,116	271,637	+61	188,831	233,594	+24	20,655	33,244	+61	23,783	28,256	+19
BARLEY & MALT	MT	125,425	118,740	-5	22,256	18,603	-16	23,784	11,859	-50	3,454	1,960	-43
OTH COARSE GRAINS 1/	MT	424,847	367,080	-14	53,406	38,457	-28	79,158	74,592	-6	9,745	6,690	-31
PULSES	MT	20,728	20,570	-1	11,804	10,608	-10	3,183	4,550	+43	1,765	1,815	+3
OTHER	XXX				202,206	233,075	+15				24,570	32,263	+31
TOTAL	XXX				478,503	534,378	+12				63,317	70,984	+12
OILSEEDS & PRODUCTS													
OILSEEDS	MT	125,732	81,512	-35	52,451	29,864	-43	19,143	8,865	-54	6,803	3,653	-46
COCONUT OIL	MT	205,365	321,656	+57	178,154	140,156	-21	26,032	33,741	+30	18,761	12,429	-34
PALM OIL	MT	108,848	178,405	+64	66,072	75,199	+14	8,410	17,699	+110	4,036	6,388	+58
OTHER VEG. OILS	MT	126,764	167,757	+32	128,524	118,012	-8	20,777	17,376	-16	19,199	11,670	-39
OTHER	MT	114,455	106,722	-7	36,622	31,304	-15	13,694	17,318	+26	3,813	5,616	+47
TOTAL	MT	681,163	856,052	+26	462,223	394,534	-15	88,056	95,000	+8	52,612	39,757	-24
SEEDS	MT	25,847	39,785	+54	47,545	70,270	+47	2,645	4,713	+78	7,146	9,620	+35
COTTON,LINTERS,SILK	MT	20,571	27,491	+34	15,218	15,091	-1	2,452	7,694	+214	2,357	1,598	-33
TOBACCO UNMFC.													
CIGARETTE LEAF	MT	82,070	98,447	+20	274,005	322,014	+18	11,879	19,264	+62	39,884	63,331	+59
CIGAR LEAF	MT	4,393	2,667	-39	16,158	12,599	-22	369	476	+29	1,679	1,972	+17
SCRAP & STEMS	MT	20,625	16,682	-19	24,754	21,653	-13	2,639	1,891	-28	2,709	2,679	-1
TOTAL	MT	107,088	117,796	+10	314,917	356,266	+13	14,887	21,631	+45	44,272	67,982	+54
POULTRY PRODUCTS													
FEATHERS & DOWN	MT	4,545	4,534	---	39,264	34,668	-12	924	684	-26	6,345	6,118	-4
POULTRY MEAT	MT	1,462	2,001	+37	5,094	7,499	+47	123	185	+50	412	1,027	+149
EGGS & PRODUCTS	XXX				6,900	9,186	+33				1,014	1,051	+4
OTHER	XXX				2,953	4,508	+53				553	565	+2
TOTAL	XXX				54,211	55,862	+3				8,323	8,761	+5

U.S. AGRICULTURAL IMPORTS FROM ALL SOURCES
OCTOBER 1984 - APRIL 1986

COMMODITIES	UNIT	CUMULATIVE TO DATE						CURRENT MONTH (APRIL)					
		QUANTITY			VALUE			QUANTITY			VALUE		
		10/84-04/85	10/85-04/86	% DIF	10/84-04/85	10/85-04/86	% DIF	1985	1986	% DIF	1985	1986	% DIF
DAIRY PRODUCTS													
CHEESE, QUOTA	MT	62,866	65,555	+4	169,854	178,013	+5	6,828	6,525	-4	17,786	17,519	+1
CHEESE, NON-QUOTA	MT	16,447	15,308	-7	46,189	52,445	+14	2,108	1,428	-32	5,771	5,074	-12
CASEIN	MT	66,106	57,886	-4	120,780	110,607	-8	7,521	9,144	+15	15,140	17,033	+13
OTHER	XXX				14,358	14,207	-1				1,575	992	-50
TOTAL	XXX				351,181	355,276	+1				40,671	41,018	+1
LIVESTOCK & PRODS.													
WOOL	MT	21,534	24,856	+15	81,731	91,257	+12	2,564	3,422	+33	9,008	11,903	+32
MEAT	MT	613,261	631,632	+3	1246,913	1255,080	+1	96,722	81,133	-16	193,642	157,356	-19
BEEF AND VEAL	MT	351,611	372,271	+6	698,968	688,911	-1	58,475	46,642	-20	116,666	86,112	-26
PORK	MT	242,255	234,245	-3	505,360	508,170	+1	34,344	31,377	-9	68,757	65,672	-5
OTHER (EDIBLE)	MT	19,351	25,312	+31	42,585	60,999	+43	3,903	3,114	-20	8,179	5,614	-31
LIVE CATTLE	NO	375,360	839,028	+124	165,390	276,456	+67	60,681	77,281	+27	27,123	22,800	-16
OTHER LIVESTOCK	NO	1032,733	378,986	-63	216,868	145,656	-33	95,647	34,718	-64	14,658	10,775	-26
HIDES & SKINS	XXX				40,671	38,228	-6				7,361	5,694	-23
FURSKINS	XXX				126,716	89,655	-29				20,161	10,081	-50
OTHER	XXX				86,824	95,246	+10				14,130	14,600	+3
TOTAL	XXX				1,965,114	1,955,661	+2				286,082	233,251	-18
HORTICULTURAL PROD.													
FRUIT	MT				1,552,844	1,408,506	-9				294,202	214,255	-27
FRESH	MT	2211,842	2352,638	+6	665,043	718,074	+7	442,376	355,172	-10	158,643	126,200	-20
PREP. & PRES	MT	273,276	308,672	+13	235,652	256,638	+9	47,502	35,526	-17	38,290	34,319	-10
JUICES	LIT	2215,500	1787,573	-19	648,149	433,854	-33	328,570	241,250	-26	97,269	53,776	-45
VEGETABLES, FR/FZ	MT	1110,992	912,431	-18	452,957	461,113	-6	206,857	203,555	-2	94,566	120,990	+28
VEG., PREP., PRES	MT	288,844	317,477	+10	246,337	255,760	+5	45,246	41,715	-15	40,805	33,953	-17
TREE NUTS	XXX				179,557	224,545	+25				19,587	13,916	-30
WINE	LIT	312,375	285,362	-9	547,266	625,574	+14	35,312	31,652	-10	68,388	79,169	+16
OTHER ALCOHOLIC BEV.	LIT	515,510	551,605	+7	330,324	393,851	+19	87,521	79,826	-9	54,401	59,358	+9
NURSERY PRODUCTS	XXX				151,237	177,554	-7				28,956	18,557	-36
OTHER	XXX				204,768	232,284	+13				28,988	28,775	-1
TOTAL	XXX				3,745,330	3,783,647	+1				630,257	569,054	-10

U.S. AGRICULTURAL IMPORTS FROM ALL SOURCES
OCTOBER 1984 - APRIL 1986

COMMODITIES	UNIT	CUMULATIVE TO DATE QUANTITY 10/84-04/85	CUMULATIVE TO DATE QUANTITY 10/85-04/86	% DIF	CUMULATIVE TO DATE VALUE 10/84-04/85	CUMULATIVE TO DATE VALUE 10/85-04/86	% DIF	CURRENT MONTH (APRIL) QUANTITY 1985	CURRENT MONTH (APRIL) QUANTITY 1986	% DIF	CURRENT MONTH (APRIL) VALUE 1985	CURRENT MONTH (APRIL) VALUE 1986	% DIF
SUGAR & TROP. PRODS.													
SUGAR, RAW & REFINED	MT	2072.877	1157.822	-42	556.103	400.085	-33	145.941	155.001	+6	52.536	52.219	-1
SWEETENERS	MT	856.534	712.818	-17	206.499	201.707	-2	106.208	85.842	-19	26.437	23.003	-13
COCOA & PRODUCTS	MT	343.765	300.005	-13	805.300	735.756	-9	30.927	30.783	---	76.415	74.411	-3
COFFEE	MT	644.833	740.647	+15	1,879.595	2,541.179	+35	88.436	102.588	+16	259.237	437.551	+69
ESSENTIAL OILS	MT	6.072	7.250	+19	57.274	68.722	+20	717	715	---	7.431	8.799	+18
TEA	MT	47.557	51.208	+8	116.446	81.364	-30	6.052	8.619	+42	13.565	12.735	-6
SPICES	MT	100.039	92.326	-8	156.536	188.012	+20	12.806	13.407	+5	16.277	35.240	+93
FIBERS	MT	26.639	32.722	+23	21.279	18.741	-12	4.601	5.066	+10	3.712	2.317	-38
RUBBER & ALLIED GUMS	MT	452.482	515.065	+5	435.336	383.821	-12	65.310	84.858	+30	54.258	66.876	+23
OTHER	XXX				87.092	84.665	-3				17.887	12.368	-31
TOTAL	XXX				4,361.459	4,704.052	+8				525.755	725.519	+37
GRAND TOTAL	XXX				11,796.101	12,265.036	+4				1664.873	1767.543	+6

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1/ INCLUDES BY-PRODUCTS.

SOURCE: U.S. CENSUS DATA (UNADJUSTED).

TRADE AND ECONOMIC INFORMATION DIVISION
TRADE AND MARKETING BRANCH, IAS, FAS, USDA

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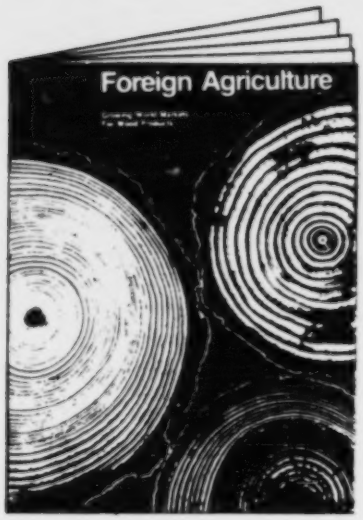

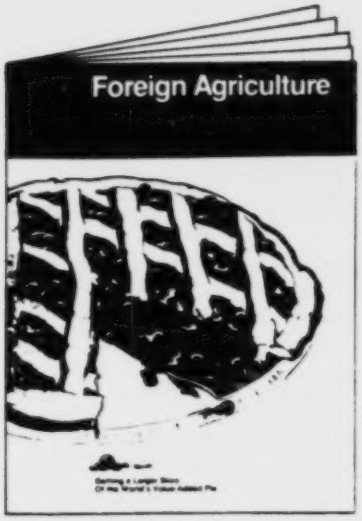

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Weekly Roundup

WR 24-86

June 18, 1986

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

GRAIN AND FEED

Brazil Buys More Argentine Corn. At its last two tenders, Brazil purchased over 600,000 tons of Argentine corn and bought no U.S. corn, despite the availability of U.S. credit. To date, Brazil has used only about $10 million of its $120 million GSM-102 credit line available during fiscal year 1986. Brazil does not usually import large amounts of corn, but this year's poor harvest may force imports of about 2.1 million tons during 1985/86 (Oct/Sept). In 1984/85, Brazil imported about 200,000 tons of corn, all from the United States.

*****

Brazil Imports Less Wheat. Total Brazilian wheat imports during 1985/86 (July/June) are now expected to reach 2.5 million tons, down more than 50 percent from last year's record import level. Brazil's record 1985 wheat harvest has allowed the country to amass large domestic supplies and delay further wheat purchases until 1986/87. As a result, U.S. wheat exports to Brazil to date in 1985/86 total about 720,000 tons, down sharply from last year's level of 3.0 million tons for the same period. During the past five years, Brazil imported about 2.6 million tons of U.S. wheat annually, but reduced demand and increased competition from Canada and Argentina have decreased the U.S. market share.

*****

Peru Buys More Canadian Wheat. Peru's recent purchase of additional quantities of Canadian wheat is likely to reduce U.S. export prospects to that market. Peru recently purchased 20,000 tons of Canadian wheat at $98.50 per ton--about $6.00 per ton less than the lowest U.S. price. Previously, the United States was the major supplier of wheat to Peru, which imports almost 1.0 million tons annually. However in 1984, Canada and, to a much greater extent, Argentina began displacing U.S. wheat exports.

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OILSEEDS AND PRODUCTS

The Philippines Receive Credit Line for Chinese Products. The administrator of the Philippines' National Food Authority (NFA) recently returned from China with a $20 million revolving credit line to purchase agricultural products. The NFA plans to use part of this credit to purchase soybean meal. USDA estimates 1985/86 Philippine imports of soybean meal at 350,000 tons. The Chinese also apparently promised to purchase agricultural products, such as coconut oil, from the Philippines.

*****

Peanut Prices Soar in Europe. In Europe the average edible shelled peanut price (Rotterdam CIF) for May increased to $867 per ton from last month's average of $706 per ton. The sharpest increase in prices occurred between the first and second week in May when the price rose from $760 a ton to $925 a ton; at the end of the first week in June prices were quoted at $1,000 per ton. European reports indicate that initial price increases were caused by concern over a possible shortage of Argentine peanuts, but attention soon shifted to the U.S. peanut crop and concern over the possible impact of dry weather in southern growing areas.

*****

Soybean Development Project Announced in Brazil. The largest Brazilian soybean producer group has announced plans for a $100 million project for the North Itamaraty farm in the Brazilian state of Mato Grosso. The development will include soybean production on 100,000 hectares and the construction of a soybean crushing plant; this year, 18,000 hectares will be planted. In 1986/87 (Feb-Jan), USDA estimates that Brazil will export 1.5 million tons of soybeans, 6.8 million tons of soybean meal, and 650,000 tons of soybean oil.

FRUITS

Production of Processing Tomatoes Down in Key Countries. This year's production of tomatoes for processing in 11 of the world's leading producing countries is estimated at 15.4 million tons, down 6 percent from last year and 19 percent below the record 1984 harvest. Smaller crops are expected in the United States, Italy, Greece, France, Spain, Portugal, Turkey, and Israel. Only Canada, Mexico, and Taiwan are expected to produce larger crops in 1986.

In the United States, 1986 contract intentions indicate a processing tomato crop of 6.4 million tons, slightly higher than last year's contracted production, but down from actual production of 6.5 million tons and down from 7.0 million tons produced in 1984. In Canada, 1986 production is forecast to rise 2 percent from last year's harvest. Contract intentions in 1986 totaled 11,711 hectares, up 13 percent from last year, up 17 percent from actual contracts, and up 3 percent from last year's actual harvested area. In Mexico, the 1986 crop estimated is up 16 percent from last year. Favorable weather in the leading producing state of Sinaloa has resulted in high yields and excellent quality.

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In Italy, 1986 processing tomato production is forecast at 3.5 million tons, 7 percent below last year's harvest and 37 percent below the record 1984 harvest. The decline is attributed to the lack of an agreement between growers and processors and a shift of land from processing to fresh tomatoes. The 1986 growing season was delayed in the north but has been normal in the south. In Greece, processing tomato production is forecast about 15 percent below last year. Contracts have been signed between growers and the canning industry for delivery of 1.2 million tons of raw product, although currently the European Community (EC) plans to support only 1.0 million. In France, processing tomato production is forecast 13 percent below last year and 13 percent below the EC production threshold. The decline is attributed to large stocks of canned tomato products and a slowdown in domestic consumption which contributed to a drop in planted area.

In Spain, processing tomato production is projected to fall 3 percent from last year's level. In Portugal, production is forecast down 18 percent from last year. The decline is attributed to large tomato paste stocks and relatively stagnant domestic and foreign markets which has led to a sharp drop in area. Under the terms of agreement on Spanish and Portuguese integration into the EC, minimum grower prices and production aids will be aligned with those of the other 10 members over a 7-year transition period.

In Israel, processing tomato production is forecast down 10 percent from last year and down 13 percent from 1984. Declining profitability and the third drought in as many years, which caused shortages of irrigation water, reduced the area planted to processing tomatoes. In Turkey, 1986 production is expected to decline about 14 percent from last year's record crop. The decline is attributed to excess supplies of tomato products and low prices.

In Taiwan, processing tomato production is estimated virtually unchanged from last year but sharply below the record 1984 harvest. A return to more normal yields, following last year's weather-and disease-reduced level, is estimated to have offset a sharp drop in area.

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Estimates of processing tomato production, by country, are as follows (in thousand metric tons):

Country	1984	Revised 1985	Forecast 1986
United States	6,968	6,511	6,435 1/
Canada	534	492	500
Mexico	375	250	290
Italy	5,600	3,785	3,500
Greece	1,570	1,650	1,400
France	355	393	340
Spain	1,008	829	805
Portugal	736	732	600
Israel	265	257	230
Turkey	1,000	1,100	950
Taiwan	631	362	367
Total selected countries	19,042	16,361	15,417

1/ Contracted production.

COFFEE

World Coffee Forecast Down Sharply in 1986/87. The first USDA forecast of world green coffee production for 1986/87 is 82.9 million bags (60 kilograms each), down 14 percent from the revised 96.4 million bag crop a year earlier. South American production, forecast at 33.8 million bags, is down 16 million from last year, and the lowest outturn since 1977/78.

Brazil, the world's largest producer, is expected to harvest a crop of 16.5 million bags, one-half the volume of last year's crop. The unusually dry 1985 (June-September) winter season in Brazil's major coffee producing states, was further aggravated by a three-month delay of the rainy season which seriously affected coffee yields for the 1986/87 crop (see WR 46-85, WR 51-85, WR 6-86). In addition, crop dehusking yields for the 1986/87 crop are expected to be lower than last year. As a result of the drought, coffee market prices increased which caused a considerable rush to obtain coffee seedlings, especially in the states of Sao Paulo and Minas Gerais. A preliminary estimate indicates that 50,000 hectares were planted with about 75 million new coffee seedlings since last November. The upward trend in market prices also led most growers to apply additional quantities of fertilizers and pesticides in an effort to maximize output. More favorable weather since February resulted in good development of coffee cherries for the 1986/87 crop and coffee trees were able to recover from stress caused by the drought.

In Colombia, production is expected to increase 3 percent over the revised estimate of 12 million bags. Low grower prices resulted in poorer management practices which reduced yields and caused a 500,000-bag reduction in the 1985/86 estimate. Improved grower prices since last December have prompted better plantation practices which could be reflected in a larger crop for 1986/87. In the main producing states, recent weather has been normal with good rainfall distribution which should favor good yields. Factors which have smoothed the traditional boom-bust cycles in production include high yielding varieties and an upturn in fertilizer sales during the first four months of 1986.

Ecuador's coffee outturn is forecast at a record-high 2 million bags, 2 percent above last year's previous record. The high level of production in 1985/86 and the forecast for 1986/87 is due entirely to an expanded crop area; orchard rehabililation programs and new cultural practices have had only a minor impact on yields. Little increase in planted area is now expected beyond the 434,000 hectares currently in production.

Coffee production in North and Central America and the Caribbean region is forecast at 17.1 million bags, up 12 percent from 1985/86. All major producing countries are expecting increases. Mexico, the largest producing country in this region, is expecting a record high crop of 4.7 million bags in 1986/87, 4 percent above the previous season. In addition to favorable weather, a recuperation from the 1983 frost and the maturation of new plantings of more productive varieties have led to this improved outlook. In Guatemala, a record-high 2.9-million-bag crop is forecast, 15 percent more than last year. The flowering for the 1986/87 crop was heavy in many areas and the switch to smaller bush varieties has dramatically increased the number of plants per hectare. A cold front accompanied by strong winds caused some blossom loss in the eastern and southeastern coffee areas.

In El Salvador, outturn for the new crop is expected to reach 2.6 million bags, 13 percent above the previous season's level. Heavy winds during the last week of March damaged some areas and rains needed to revitalize trees and start flowering arrived somewhat late. Salvadoran coffee production had been declining since 1980. Low grower prices resulted in minimal use of fertilizers and insecticides and lack of investment for new plantings.

In Costa Rica, production is forecast to increase by 650,000 bags over last season's crop because of vastly improved weather. Prospects for the coming year are improved because additional areas in new coffee plantations will be coming into production. A major reduction in coffee yields occurred last year because dry weather during critical growth periods resulted in poor berry settings.

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Africa's 1986/87 coffee output is forecast to increase slightly from last year. The largest producer in this region, the Ivory Coast, expects a crop of 4.8 million bags, up 4 percent from a year ago. Rains starting in late February, alternating with high temperatures, favored good crop development and high yields. The government plans to expand total area by 270,000 hectares, removing and replanting 27,000 hectares of coffee trees more than 25 years old, and intensifying the pruning program. It also intends to increase seedling production by establishing 44 new propagation centers which will turn out 95 million seedlings annually.

Kenya's production is forecast at 1.8 million bags, down 8 percent as a result of the cyclical nature of coffee yields. More normal weather conditions have returned to most parts of the country. An important development in Kenyan coffee production was the release to farmers of a new disease resistant variety. The new Ruiru 11 variety is expected to show an increase in planted area in 1987/88.

Asian 1986/87 coffee production is forecast to increase 4 percent over last year, due almost entirely to a more than 400,000 bag increase expected in India. Indonesia's production is expected to equal last year's record high outturn of 5.8 million bags. Weather has been normal during the 1986/87 growing season, but the government continues to control the expansion of coffee area to avoid an oversupply when export quotas are reinstated.

Coffee production estimates by region are as follows in 1,000 60-kilogram bags:

Region	Revised 1985/86	Forecast 1986/87
North and Central America and the Caribbean	15,307	17,070
South America	49,816	33,825
Africa	20,947	21,213
Asia	9,498	9,921
Oceania	879	906
Total	96,447	82,935

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SUGAR

Brazil Announces Sugar Production Plans. The Sugar Alcohol Institute (IAA) announced that Brazil's 1986/87 raw centrifugal sugar production is 9.1 million tons. This is 900,000 tons more than last year and 3 percent more than previously forecast by the U.S. agricultural office in Rio de Janeiro in May. Brazil's total area planted to sugar cane for 1986/87 crop is estimated at 4.0 million hectares. The area harvested to supply cane strictly for sugar production is 1.95 million hectares. Although most of southern Brazil suffered drought during the latter half of 1985, the effect on sugar cane was to extend the growing season with little or no effect on yields.

WOOD AND WOOD PRODUCTS

U.S. Wood Product Exports Near $1 Billion to Date in 1986. The value of U.S. wood product exports reached $977 million for January-April, an increase of 11 percent or $96 million over the same period last year. As expected, shipments of softwood logs to China were down significantly for April. U.S. exports to China totaled $22.3 million, down 42 percent from April 1985. Overall, export performance continues to be strong as a more competitive dollar improves export prices. U.S. wood exports for January-April 1986 are as follows in millions of dollars, F.A.S. value basis:

	Japan	Canada	China	Other	Total
Softwood logs	226.7	20.5	92.2	30.6	370.0
Softwood lumber	78.1	29.4	1.1	92.2	200.8
Softwood plywood	0.7	3.5	0.0	50.2	54.4
Hardwood logs	5.4	3.1	0.0	35.0	43.5
Hardwood lumber	13.4	23.3	0.0	69.0	105.6
Hardwood plywood	0.0	0.7	0.0	4.3	5.0
Other products	56.3	36.2	0.5	104.5	197.5
Total	380.7	116.6	93.8	385.8	976.9

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Overall, U.S. exports to the EC showed continuing gains for softwood plywood and hardwood logs. Denmark, the Netherlands, and the United Kingdom imported U.S. softwood plywood valued at $8.8 million, $11.6 million, and $12.5 million, respectively. Hardwood log exports to Germany totaled $18.1 million, up 37 percent over January to April last year. U.S. wood product exports to the EC in January-April are as follows in millions of dollars, F.A.S. vaule basis:

	1985	1986	% Change
Belgium/Luxembourg	16.35	20.47	25.2
Denmark	4.55	10.30	126.6
France	6.40	6.60	3.1
Germany	36.62	50.39	37.6
Greece	2.63	3.65	38.7
Ireland	1.14	1.57	38.1
Italy	28.10	28.90	2.9
Netherlands	12.99	19.86	52.9
Portugal	0.22	0.11	-52.3
Spain	8.38	12.05	43.9
United Kingdom	24.52	38.62	57.5
Total EC	141.89	192.51	35.7

On the import side, softwood lumber from Canada continues to increase. Cumulative softwood lumber imports from Canada are at 4.6 billion board feet, up 7 percent over the same period last year.

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WORLD FOOD PRICES

Food Prices Increase in All Capitals. The items contained in this survey reflect purchases more typical of U.S. consumers than those of other capitals. Differences in quality, packing, and seasonal variation in supply will also tend to affect any strict comparison between such prices. The retail prices quoted in this survey were derived by averaging retail prices for each commodity taken from randomly sampled supermarkets within each capital's metropolitan area.

Variation in individual commodity prices among the cities surveyed may be explained by a variety of factors, among which are supply/demand differences; controls and other means of interference with some prices; the self-sufficient nature of some capitals (e.g. sirloin prices in Brasilia and Buenos Aires and coffee prices in Brasilia); and the quality, packaging, etc. differences alluded to above. Furthermore, survey-to-survey dollar-denominated price variations are often influenced by wide divergencies in local rates of inflation and/or currency fluctuations.

The total price figure has been included as an aid in defining the general level of prices for a given city.

Discounting the effects of local currency fluctuations, general price levels were higher or stayed relatively constant for all reporting capitals.

Brazilian prices rose only 1 percent since November 1985 when the last survey was taken. This may be attributed to a government economic package designed to fight the 255-percent inflation rate with an across-the-board freeze on retail and wholesale prices.

Tokyo's prices rose by nearly 29 percent since November when the last survey was taken, most of which is explained by an 18-percent depreciation in the dollar/yen exchange rate.

Washington D.C.'s price figure showed a slight increase over November's survey but should be interpreted as remaining constant.

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FAS Survey of Average Retail Food Prices in Selected World Capitals, May 1986
(in U.S. dollars per kg or units as indicated, converted at current exchange rates)

Item	Bern	Bonn	Brasilia	Buenos Aires	Canberra	London	Madrid	Mexico City
Steak, sirloin, boneless..	24.94	9.86	2.25	2.79	5.40	12.58	8.05	2.65
Roast, pork, boneless.....	9.22	4.55	4.01	5.56	3.73	4.86	5.63	2.60
Broilers, whole.....	3.85	2.08	1.16	1.76	2.95	2.85	2.48	1.66
Eggs, large,dozen.....	3.14	1.15	.68	1.18	1.47	1.72	1.12	.64
Butter.....	9.08	3.94	2.96	3.23	2.58	3.08	7.07	3.00
Cheese,Cheddar,Emmenthaler	9.87	6.50	3.76	6.62	4.65	4.03	7.51	7.61
Milk, whole, liter.....	.84	.50	.20	.34	.98	.62	.50	.24
Oil, cooking, liter.....	3.17	.92	.61	1.65	2.12	1.48	2.00	1.12
Potatoes.....	.70	.26	.42	.39	.66	.51	.31	.42
Apples.....	1.68	1.26	1.14	1.41	.87	1.43	.67	1.27
Oranges.....	1.36	1.15	.19	1.05	.62	1.08	.84	.25
Flour.....	1.08	.60	.21	.33	.80	.48	.52	.28
Rice.....	1.95	1.61	.56	.92	.84	1.28	.76	.40
Sugar.....	.76	.89	.32	.45	.58	.72	.78	.22
Coffee.....	12.15	12.53	6.68	10.27	11.76	10.48	9.25	4.04
TOTAL.....	83.79	47.80	25.15	37.96	40.01	47.20	47.49	26.40
(TOTAL NOV. 1985).....	71.27	38.72	24.86	27.12	32.22	41.04	39.52	19.93

Bonn, Ottawa: Roast, Pork, bone-in

Item	Ottawa	Paris	Pretoria	Rome	Seoul	Stockholm	Tokyo	Wash. Metro
Steak, sirloin, boneless..	6.22	10.24	5.20	9.71	7.22	17.85	40.41	7.29
Roast, pork, boneless.....	4.62	5.62	3.57	5.69	4.06	18.66	11.29	4.73
Broilers, whole.....	1.85	3.07	1.16	3.78	1.91	6.20	4.71	1.87
Eggs, large, dozen.....	.83	1.25	.65	1.39	1.10	2.25	1.62	.91
Butter.....	4.22	4.54	2.58	4.26	4.55	4.97	7.41	5.40
Cheese,Cheddar,Emmenthaler	7.37	5.95	3.08	7.22	9.65	8.58	7.21	6.70
Milk, whole, liter.....	.86	.63	.42	.72	.81	.64	1.17	.49
Oil, cooking, liter	1.52	1.72	1.49	1.00	1.39	5.97	1.47	2.36
Potatoes.....	.85	.78	.17	.54	.87	.60	1.88	.64
Apples.....	1.63	1.21	.50	1.00	1.36	1.92	3.32	2.29
Oranges.....	1.58	1.07	.44	1.07	N/A	1.41	4.79	.99
Flour.....	1.15	.81	.46	.48	.32	.91	1.18	.53
Rice.....	1.66	1.36	.94	1.33	1.11	2.30	2.29	.97
Sugar.....	.33	.91	.54	.86	.79	1.05	1.50	.95
Coffee.....	10.34	8.25	11.16	9.89	15.54	12.15	20.06	9.33
TOTAL.....	45.03	47.41	32.36	48.94	50.68/1	85.46	110.31	45.45
(TOTAL NOV. 1985).....	38.99	44.89	23.32	40.55	48.79/1	70.27	85.49	44.52

Note: One kilogram = 2.2046 pounds; one liter = 1.0567 quarts
1/ Orange price excluded.

EXPORT ENHANCEMENT INITIATIVES

The status of USDA's Export Enhancement Program as of June 17, 1986, was as follows in metric tons:

ANNOUNCED INITIATIVES		DATE ANNOUNCED	QUANTITY/RESULTS	
36.	Jordan Barley	June 17, '86	60,000	
35.	Israel Barley	June 17, '86	200,000	
34.	Tunisia Dairy Cattle	May 29, '86	4,000 head	
33.	Algeria Dairy Cattle	May 29, '86	5,000 head	
32.	Sri Lanka Wheat	May 16, '86	125,000	
31.	Saudia Arabia Barley	May 7, '86	500,000	
30.	Algeria Barley	Apr 17, '86	500,000	
29.	Morocco Dairy Cattle	Apr 16, '86	4,000 head	
28.	Turkey Dairy Cattle	Apr 16, '86	5,000 head	
27.	Egypt Dairy Cattle	Apr 16, '86	6,000 head	
26.	Yemen Poultry Feed	Apr 14, '86	150,000	
25.	Yugoslavia Wheat	Apr 10, '86	200,000	Sold 153,000
24.	Indonesia Dairy Cattle	Apr 9, '86	7,500 head	
23.	Syria Wheat	Apr 8, '86	700,000	
22.	Benin Wheat	Apr 7, '86	45,000	Sold 10,000
21.	Algeria Table Eggs	Apr 4, '86	500 million	
20.	Iraq Dairy Cattle	Apr 4, '86	6,500 head	
19.	Jordan Wheat	Mar 19, '86	75,000	COMPLETE
18.	Tunisia Wheat	Mar 18, '86	300,000	Sold 50,000
17.	Algeria Wheat Flour	Feb 25, '86	100,000	
16.	Algeria Semolina	Feb 11, '86	250,000	
15.	Philippines Wheat	Jan 7, '86	150,000	COMPLETE (152,400)
14.	Zaire Wheat	Dec 27, '85	40,000	Sold 20,000
		May 15, '86	40,000	
13.	Nigeria Barley Malt	Dec 10, '85	100,000	
12.	Iraq Wheat Flour	Dec 9, '85	150,000	Sold 75,000
11.	Egypt Poultry	Nov 26, '85	8,000	COMPLETE
		Mar 21, '86	15,000	COMPLETE
10.	Zaire Wheat Flour	Nov 18, '85	64,000	Sold 45,000
		May 15, '86	30,000	
9.	Philippine Wheat Flour	Nov 15, '85	100,000	Sold 50,000
8.	Jordan Rice	Nov 8, '85	40,000	Sold 22,700
7.	Turkey Wheat	Oct 16, '85	500,000	COMPLETE (506,600)
		May 8, '86	500,000	
6.	Morocco Wheat	Sept 30, '85	1,500,000	Sold 890,000
5.	Yemen Wheat	Sept 6, '85	100,000	Sold 50,000
4.	Yemen Wheat Flour	Aug 20, '85	50,000	Sold 31,500
		Apr 14, '86	100,000	
3.	Egypt Wheat	Jul 26, '85	500,000	COMPLETE
		Oct 30, '85	500,000	COMPLETE (512,500)
2.	Egypt Wheat Flour	Jul 2, '85	600,000	COMPLETE
1.	Algeria Wheat	Jun 4, '85	1,000,000	COMPLETE
		Apr 10, '86	1,000,000	

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EXPORT ENHANCEMENT PROGRAM SUMMARY

Announced to Date	10,600,000 (grain equivalent) 500 million table eggs 23,000 tons frozen poultry 38,000 head dairy cattle
Sold to Date	3,919,500 wheat 1,098,050 flour, grain equivalent 23,000 frozen poultry 22,700 rice
Bonus	$240.9 million at book value (1,679,500 tons)

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Selected International Prices

Item	June 17, 1986		Change from a week ago	A year ago
ROTTERDAM PRICES 1/	$ per MT	$ per bu.	$ per MT	$ per MT
Wheat:				
Canadian No. 1 CWRS-13.5%.	N.Q.	--	--	183.00
U.S. No. 2 DNS/NS: 14%....	130.00	3.54	-16.00	165.00
U.S. No. 2 S.R.W.	114.00	3.10	-2.00	143.00
U.S. No. 3 H.A.D.....	157.00	4.27	+12.00	173.00
Canadian No. 1 A: Durum...	N.Q.	--	--	179.00
Feed grains:				
U.S. No. 3 Yellow Corn....	117.00	2.97	-1.00	128.50
Soybeans and meal:				
U.S. No. 2 Yellow.....	211.60	5.76	-1.50	228.25
Brazil 47/48% SoyaPellets	189.00	--	-1.00	145.00
U.S. 44% Soybean Meal....	181.00	--	-1.00	142.00
U.S. FARM PRICES 3/				
Wheat.....	104.34	2.84	-7.35	151.74
Barley.....	55.12	1.20	-4.59	96.91
Corn.....	98.42	2.50	-2.36	107.09
Sorghum.....	96.56	4.38 2/	-4.41	108.03
Broilers.....	1269.19	--	+70.11	1186.30
EC IMPORT LEVIES				
Wheat 5/.....	172.45	4.69	+3.65	76.30
Barley.....	167.10	3.64	+7.30	70.35
Corn.....	149.80	3.81	+0.40	63.80
Sorghum.....	162.10	4.12	+4.00	79.60
Broilers 4/ 6/ 8/.....	N.Q.	--	N.Q.	N.Q.
EC INTERVENTION PRICES 7/ 9/				
Common wheat(feed quality)	195.70	5.33	+0.25	150.60
Bread wheat (min. quality)	207.85	5.66	+0.30	159.95
Barley and all other feed grains.....	195.70	--	+0.25	150.60
Broilers 4/ 6/.....	N.Q.	--	N.Q.	N.Q.
EC EXPORT RESTITUTIONS (subsidies)				
Wheat	N.A.	--	--	N.A.
Barley.....	N.A.	--	--	N.A.
Broilers 4/ 6/ 8/.....	N.Q.	--	N.Q.	N.Q.

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Five-day moving average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ Changes may be due partly to exchange rate fluctuations and/or ECU payments. N.A.=None authorized. N.Q.=Not quoted. Note: Basis June delivery.

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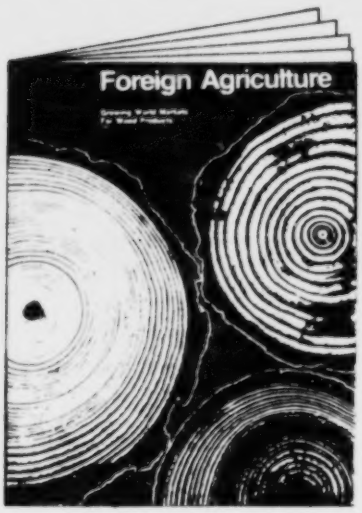

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United States Department of Agriculture

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WR 25-86

June 25, 1986

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DEPOSITORY 326

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

GRAIN AND FEED

Argentina Lowers Wheat Export Tax. The Argentine wheat export tax for the 1986/87 crop year (Dec-Nov) has been lowered from 15 to 5 percent. The announcement follows a strike where farmers demanded a lower tax because of falling world wheat prices and generally depressed agricultural conditions. A lower export tax can result in better returns for Argentine farmers and/or lower export prices for Argentine wheat. Unlike past years, the announcement was made before planting which allows farmers time to increase plantings. A larger crop likely would mean increased exportable supplies and intensified competition for U.S. wheat. Argentine wheat exports in 1986/87 (Dec/Nov) are forecast at 5.1 million tons, up nearly 1 million tons from 1985/86 when rain damaged much of the crop at harvest.

DAIRY, LIVESTOCK AND POULTRY

Soviet Meat Production Increases. Meat, dairy and poultry production on Soviet state and collective farms increased for January-May 1986 over the same period in 1985. Animal inventory levels on June 1, 1986 were up compared to June 1985.

Meat production for January-May 1986 was up 8 percent compared with the same period in 1985. Beef, pork and poultry were up 7, 8 and 13 percent, respectively, while sheep and goat meat production fell 10 percent. Milk production was up 16 percent and egg production 7 percent in the first five months compared to last year. June 1 livestock numbers, compared to a year ago, were up 1 percent for all cattle to 99.6 million head, while cows were down 1 percent to 29.4 million head. Hogs were up 3 percent to 59.5 million, sheep and goats up 2 percent to 146.8 million, and poultry up 0.4 percent to 799.2 million.

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SALLY KLUSARITZ, Editor, Tel. (202) 447-3448. Additional copies may be obtained from FAS Media and Public Affairs Branch, 5922-S, Washington, D.C. 20250. Tel. (202) 447-7937.

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FRUITS

Citrus Production in Southern Hemisphere Forecast to Decline. Citrus production in selected countries of the Southern Hemisphere is forecast at 14.3 million tons for 1986, down 6 percent from last year's record crop, but 8 percent above the 1984 harvest. Output in Brazil, the world's leading citrus producing nation, is forecast at 11.4 million tons, down 6 percent from last year's record crop. Production estimates for selected countries in the Southern Hemisphere, by fruit type, with 1985 estimates in parentheses, are as follows in thousand tons: sweet oranges, 12,271 (13,113); tangerines, 829 (827); lemons, 548 (586); grapefruit 338 (332); and other citrus, including sour oranges, limes, and miscellaneous citrus varieties, 318 (318).

Brazil's 1986 citrus crop is forecast at 11.4 million tons, down from last year's record harvest of 12.2 million tons, but still the second largest crop on record. Orange outturn is forecast at 10.5 million tons, 7 percent below last season's record harvest. The orange crop in the commercial citrus zone of the state of Sao Paulo, which dominates the Brazilian orange harvest, is expected to total 8.6 million tons, 9 percent below last year. Despite dry conditions, Brazil produced a record orange crop in 1985 due to an increase in fruit-bearing trees, less selective picking and slightly higher yields per tree. The 1986 season began with a severe drought from June to December 1985 which affected the first bloom during August/September. Rains returned in January and provided a subsequent bloom which had a generally good set. The out-of-season bloom will delay the 1986 harvest two to three months.

In Argentina, 1986 citrus output is expected to fall 14 percent from last year due to dry weather during flowering. Orange and tangerine harvests are forecast down 23 percent and 1 percent, respectively. Lemon production is forecast at 320,000 tons, down 11 percent from last year, but equal to the 1984 harvest. In Chile, a record citrus harvest is projected for 1986, 4 percent above last season. Lemon production is forecast down 7 percent while orange production is forecast up 14 percent. In Uruguay, citrus production is expected to rise 12 percent as a result of recent plantings which are now coming into production.

In Australia, the 1986 citrus crop is forecast 3 percent above last year--the third consecutive record-setting crop. Orange production is forecast at 540,000 tons, about one-third over the amount produced in the early 1980's. The increase is attributed to rising yields and an expanding tree population.

In South Africa, 1986 citrus production is expected to rise 9 percent from last year's level, rebounding after three consecutive drought-reduced harvests and last year's devastating hail storm. Orange production is forecast at 535,000 tons, up 10 percent from last year. Grapefruit production is expected to total 105,000 tons, up 3 percent. In the main producing areas of the eastern and northern Transvaal, water supplies are adequate. In the eastern Cape Province, water has been diverted from the Orange River basin or system to the Sundays River to bolster irrigation supplies for citrus.

-more-

Total citrus production in selected countries of the Southern Hemisphere is estimated, by country, as follows in thousand tons:

Country	1984	Revised 1985	Forecast 1986
Brazil	10,489	12,181	11,405
Argentina	1,211	1,411	1,213
Chile	125	140	145
Uruguay	133	171	190
Australia	598	629	648
South Africa 1/	649	644	703
Total selected countries	13,205	15,176	14,304

1/ Includes production of Mozambique, Swaziland, and Zimbabwe marketed through the South African Citrus Board.

COCOA

Cocoa Production Revised. Based on new information from the U.S. agricultural attache in Abidjan, the 1985/86 cocoa crop for the Ivory Coast is now estimated at 540,000 tons, up 3 percent from the previous estimate, but down 2 percent from last year's record crop. Increased productivity of trees coupled with good growing conditions throughout most of the season contributed to the upward revision. Only the tail end of the crop has been less than optimal due to inadequate rainfall in March-May 1986.

In February, world cocoa bean production for 1985/86 was forecast at 1.88 million tons, down 3 percent from the previous year's crop (see WR 7-86). Since that time, USDA has revised its forecast for Ecuador, Ghana and Nigeria based on U.S. agricultural attaches' reports. The current 1985/86 forecast for these countries is shown with 1984/85 production estimates in 1,000 tons:

Country	1984/85	1985/86 Forecasts	
		Feb	Current
Ecuador	128.0	110.0	85.0
Ghana	175.0	200.0	212.0
Ivory Coast 1/	552.0	525.0	540.0
Nigeria	150.0 2/	115.0	95.0 2/

1/ Includes cocoa marketed from Ghana. 2/ Does not include cocoa marketed through Benin. In recent years this amount has varied between 10 and 20 thousand tons.

NOTE: The next USDA world cocoa bean production estimate is scheduled for release Oct. 16, 1986.

WOOD AND WOOD PRODUCTS

Swedish Forest Products Industry Shows Little Change. Sweden's 1986 harvest of roundwood is forecast at 63.2 million cubic meters, only 300,000 meters above the 1985 cut. Softwood lumber production is estimated at 11 million meters, down from 11.4 million a year ago, due to a shortage of saw logs. Inadequate supplies of saw logs have been a continuing problem for manufacturers of sawn wood and board products. Nearly half of the productive forest area is in private hands and many owners are not solely dependent upon logging for their livelihood. Many are reluctant to increase fellings because of high taxes incurred when timber is sold. The government currently is trying to identify ways to stimulate logging from this sector.

Softwood lumber is Sweden's largest solid wood export commodity, accounting for 17 percent of the U.S. $6 billion in Swedish forest products exports (including paper and allied products) in 1985. About 50 countries received Swedish exports, with European countries accounting for approximately 83 percent of total lumber shipments. Egypt is Sweden's largest non-European market (fourth largest overall), accounting for 10 percent of 1985 softwood lumber exports. The overall decline in 1985 shipments to the Middle East was largely the result of reduced imports by Saudi Arabia. Construction activity in Saudi Arabia has slowed considerably from several years ago and is forecast to decline further during the next few years.

Approximately 85 percent of Sweden's lumber exports consist of rough, sawn softwood lumber which is not further processed. Principal species exported are spruce (whitewood) and pine (red wood). The outlook for 1986 is for a 2-percent decline in total softwood lumber exports. A small increase in demand from Sweden's traditional European customers is expected, as a result of increased construction activity in these countries. Egypt will remain a major market; however, its currency problems are expected to hamper demand.

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Sweden's production and exports of wood products are as follows in 1,000 cubic meters:

	1984	1985	1986 1/
ROUNDWOOD			
Production	64,700	62,900	63,200
Imports	4,847	5,968	6,000
Exports	1,560	1,489	1,500
Domestic consumption	71,402	69,492	69,000
SOFTWOOD LUMBER			
Production	12,120	11,400	11,000
Imports	91	85	100
Exports	8,002	7,866	7,700
Domestic consumption	3,782	3,675	3,800
SOFTWOOD PLYWOOD			
Production	65	70	75
Imports	110	106	100
Exports	27	30	30
Domestic consumption	148	146	145
PARTICLEBOARD			
Production	981	902	850
Imports	99	112	100
Exports	377	330	300
Domestic consumption	685	670	665

1/ Forecast.

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EXPORT ENHANCEMENT INITIATIVES

The status of USDA's Export Enhancement Program as of June 24, 1986, was as follows in metric tons:

	ANNOUNCED INITIATIVES	DATE ANNOUNCED	QUANTITY/RESULTS	
36.	Jordan Barley	June 17, '86	60,000	
35.	Israel Barley	June 17, '86	200,000	
34.	Tunisia Dairy Cattle	May 29, '86	4,000 head	
33.	Algeria Dairy Cattle	May 29, '86	5,000 head	
32.	Sri Lanka Wheat	May 16, '86	125,000	Sold 50,000
31.	Saudia Arabia Barley	May 7, '86	500,000	
30.	Algeria Barley	Apr 17, '86	500,000	
29.	Morocco Dairy Cattle	Apr 16, '86	4,000 head	
28.	Turkey Dairy Cattle	Apr 16, '86	5,000 head	
27.	Egypt Dairy Cattle	Apr 16, '86	6,000 head	
26.	Yemen Poultry Feed	Apr 14, '86	150,000	
25.	Yugoslavia Wheat	Apr 10, '86	200,000	Sold 153,000
		June 24, '86	200,000	
24.	Indonesia Dairy Cattle	Apr 9, '86	7,500 head	
23.	Syria Wheat	Apr 8, '86	700,000	
22.	Benin Wheat	Apr 7, '86	45,000	Sold 10,000
21.	Algeria Table Eggs	Apr 4, '86	500 million	
20.	Iraq Dairy Cattle	Apr 4, '86	6,500 head	
19.	Jordan Wheat	Mar 19, '86	75,000	COMPLETE
		June 24, '86	75,000	
18.	Tunisia Wheat	Mar 18, '86	300,000	Sold 50,000
17.	Algeria Wheat Flour	Feb 25, '86	100,000	
16.	Algeria Semolina	Feb 11, '86	250,000	
15.	Philippines Wheat	Jan 7, '86	150,000	COMPLETE (152,400)
14.	Zaire Wheat	Dec 27, '85	40,000	Sold 20,000
		May 15, '86	40,000	
13.	Nigeria Barley Malt	Dec 10, '85	100,000	Sold 2,200
12.	Iraq Wheat Flour	Dec 9, '85	150,000	Sold 75,000
11.	Egypt Poultry	Nov 26, '85	8,000	COMPLETE
		Mar 21, '86	15,000	COMPLETE
		June 18, '86	5,000	
10.	Zaire Wheat Flour	Nov 18, '85	64,000	Sold 45,000
		May 15, '86	30,000	
9.	Philippine Wheat Flour	Nov 15, '85	100,000	Sold 50,000
8.	Jordan Rice	Nov 8, '85	40,000	Sold 22,700
7.	Turkey Wheat	Oct 16, '85	500,000	COMPLETE (506,600)
		May 8, '86	500,000	
6.	Morocco Wheat	Sept 30, '85	1,500,000	Sold 890,000
5.	Yemen Wheat	Sept 6, '85	100,000	Sold 50,000
4.	Yemen Wheat Flour	Aug 20, '85	50,000	Sold 31,500
		Apr 14, '86	100,000	

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3.	Egypt Wheat	Jul 26, '85	500,000	COMPLETE
		Oct 30, '85	500,000	COMPLETE (512,500)
		June 20, '85	500,000	
2.	Egypt Wheat Flour	Jul 2, '85	600,000	COMPLETE
1.	Algeria Wheat	Jun 4, '85	1,000,000	COMPLETE
		Apr 10, '86	1,000,000	

EXPORT ENHANCEMENT PROGRAM SUMMARY

Announced to Date	11,611,780 (grain equivalent)
	500 million table eggs
	28,000 tons frozen poultry
	38,000 head dairy cattle
Sold to Date	4,016,500 wheat
	1,098,800 flour, grain equivalent
	23,000 frozen poultry
	22,700 rice
	3,000 barley malt, grain equivalent
Bonus	$245.1 million at book value (1,674,100 tons)

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Selected International Prices

Item	June 24, 1986	Change from a week ago	A year ago
ROTTERDAM PRICES 1/	$ per MT	$ per bu.	$ per MT	$ per MT
Wheat:				
Canadian No. 1 CWRS-13.5%.	N.Q.	--	--	182.50
U.S. No. 2 DNS/NS: 14%....	131.50	3.58	+1.50	164.75
U.S. No. 2 S.R.W.	118.00	3.21	+4.00	143.00
U.S. No. 3 H.A.D.....	144.00	3.92	-13.00	168.00
Canadian No. 1 A: Durum...	N.Q.	--	--	179.00
Feed grains:				
U.S. No. 3 Yellow Corn....	117.00	2.97	--	128.00
Soybeans and meal:				
U.S. No. 2 Yellow.10/....	202.80	5.52	-8.80	228.10
Brazil 47/48% Soya Pellets	190.00	--	+1.00	148.50
U.S. 44% Soybean Meal....	181.00	--	--	144.00
U.S. FARM PRICES 3/				
Wheat.....	77.15	2.10	-1.47	116.10
Barley.....	61.09	1.33	--	72.11
Corn.....	91.34	2.32	-0.39	104.33
Sorghum.....	84.22	3.82 2/	-1.54	98.99
Broilers.....	1411.38	--	+137.79	1187.84
EC IMPORT LEVIES				
Wheat 5/.....	171.20	4.66	-1.25	75.55
Barley.....	171.25	4.66	+4.15	69.60
Corn.....	148.75	3.78	-1.05	63.60
Sorghum.....	160.90	4.09	-1.20	79.20
Broilers 4/ 6/ 8/.....	341.00	--	--	161.00
EC INTERVENTION PRICES 7/ 9/				
Common wheat(feed quality)	195.40	5.32	-0.30	150.50
Bread wheat (min. quality)	207.50	5.65	-0.35	159.90
Barley and all other feed grains.....	195.40	--	-0.30	150.50
Broilers 4/ 6/.....	1,403.00	--	+1.00	1,094.00
EC EXPORT RESTITUTIONS (subsidies)				
Wheat	N.A.	--	--	N.A.
Barley.....	N.A.	--	--	N.A.
Broilers 4/ 6/ 8/.....	251.00	--	--	95.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Five-day moving average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ Changes may be due partly to exchange rate fluctuations and/or ECU payments. 10/ October delivery. N.A.=None authorized. N.Q.=Not quoted. Note: Basis July delivery.

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WR 26-86

World Production and Trade

United States Department of Agriculture

Foreign Agricultural Service

Washington, D.C. 20250

Weekly Roundup

WR 26-86

July 2, 1986

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

GRAIN AND FEED

TAIWAN has renewed its five-year grain agreement with the United States, effective July 1. The agreement calls for minimum imports of 14.75 million metric tons -- 2.4 million tons above what is called for in the current agreement. Actual sales under the new agreement are expected to be higher since purchases under the current agreement now total about 13.4 million tons, well above the minimum of 8.6 million tons. The new agreement will be signed in August.

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JUL 17 1986

The EUROPEAN COMMUNITY (EC) has indicated it might accept lower bids on intervention stocks of wheat for export to Egypt and Yugoslavia, and barley stocks for sale to Saudi Arabia, Israel, Algeria and Jordan. This action may be in response to recent U.S. announcements of Export Enhancement Programs (EEP) targeting these countries. Reducing the sales price of intervention stocks to these markets could set a floor price below which U.S. grain under the EEP must be sold if the United States is to remain competitive. Recent prices for wheat and barley sold from intervention stocks have been about $92 and $68 per ton, respectively.

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SALLY KLUSARITZ, Editor, Tel. (202) 447-3448. Additional copies may be obtained from FAS Media and Public Affairs Branch, 5922-S, Washington, D.C. 20250. Tel. (202) 447-7937.

A67.42:

DAIRY, LIVESTOCK AND POULTRY

The five-member CANADIAN Import Tribunal decided unanimously that the Canadian Cattlemen's Association has the right to complain about the alleged damaging effects of imports of subsidized beef from Ireland and Denmark. The Tribunal's decision establishes a precedent with a potential impact on agricultural trading. The Tribunal now has begun the second phase of its hearings to determine if subsidized European imports actually damage the Canadian meat industry.

COTTON AND FIBERS

According to the U.S. agricultural attache in Ankara, TURKEY'S 1986/87 cotton crop is forecast at 2.2 million bales, 7 percent below last year. The drop is due to a 9 percent decrease in planted area. For the first time, support prices for seed cotton were announced before planting which allowed farmers to choose among competing crops. Since producers were not pleased with the official cotton support price, they switched to grains and oilseeds.

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EGYPT'S 1986/87 cotton crop is forecast to be slightly less than last year's 2.1 million bales, according to the U.S. agricultural counselor in Cairo. The Egyptian government, however, recognizes the importance of cotton as a major source of export revenue, and continues to mandate cotton plantings. Nonetheless, past levels of cotton acreage have not been maintained because many Egyptian farmers find cotton to be less profitable than other crops. In the past, farmers had shifted acreage from cotton to soybeans. Recent feed shortages have caused farmers to take land out of cotton to increase corn production.

WOOD AND WOOD PRODUCTS

The MALAYSIAN forest products industry is expected to record modest gains in 1986 after last year's disappointing performance, particularly in the processing sector. Production of roundwood is forecast at 33 million cubic meters, 5 percent above the 1985 level. Minor increases are also projected for tropical hardwood logs, lumber and plywood. For the past several years, the industry has been hampered by stagnant demand in overseas markets, intense foreign competition, an acute shortage of logs in Peninsular Malaysia, and rising processing costs with declining prices. The government is attempting to preserve forest resources and spur further growth by actively promoting reforestation programs, the use of rubberwood and lesser known timber species, and downstream processing.

Malaysian log exports increased to 19.8 million meters in 1985, 19 percent above the 1984 level. Most of the increase was in shipments to Japan, South Korea, China and Hong Kong. Japan accounts for approximately 60 percent of Malaysia's annual log exports.

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Contrary to government expectations, exports of processed products such as lumber, veneer and plywood all declined in 1985. Lumber shipments to Singapore, the largest single market, were down by 200,000 meters and were not completely offset by modest gains in the Dutch and Japanese markets. Shipments of veneer, especially to Taiwan, suffered a more severe drop.

Exports of plywood also declined in 1985 due to intense competition from Indonesia, which benefitted from more competitive shipping rates. While the outlook for 1986 exports of processed wood products appears static, log exporters are hopeful of slightly larger shipments, mostly to Japan.

Malaysian shipments of flooring, molding and miscellaneous products to the United States were valued at U.S. $35.7 million in 1985, down from U.S. $45.8 million in 1984.

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Production and exports of Malaysian wood products are as follows in 1,000 cubic meters:

	1984	1985	1986 1/
ROUNDWOOD			
Harvest	31,107	31,300	33,000
Imports	198	122	100
Exports	16,672	19,772	21,000
Domestic consumption	14,633	11,650	12,100
TROPICAL HARDWOOD LOGS			
Production	30,997	31,130	32,815
Imports	1	0	0
Exports	16,668	19,771	21,000
Domestic consumption	14,330	11,359	11,815
TROPICAL HARDWOOD LUMBER			
Production	5,845	5,500	5,700
Imports	60	33	30
Exports	2,777	2,705	2,800
Domestic consumption	3,128	2,828	2,930
TROPICAL HARDWOOD VENEER			
Production	800	638	632
Imports	10	10	8
Exports	567	415	400
Domestic consumption	243	233	240
TROPICAL HARDWOOD PLYWOOD			
Production	586	568	570
Imports	36	6	5
Exports	371	364	355
Domestic consumption	251	210	220

1/ Forecast.

TOBACCO

On June 17, ITALY'S Council of Ministers approved new legislation which will severely restrict smoking in almost all public and private areas. The proposal, which is expected to pass the Italian Parliament by late summer, is an extension of existing rules which ban smoking in public buildings, places of entertainment and transportation. As a result of these actions, consumption can be expected to decline from the 1985 record level of 113 billion pieces.

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EXPORT ENHANCEMENT INITIATIVES

The status of USDA's Export Enhancement Program as of June 27, 1986, was as follows in metric tons:

ANNOUNCED INITIATIVES	DATE ANNOUNCED	QUANTITY/RESULTS	
36. Jordan Barley	June 17, '86	60,000	
35. Israel Barley	June 17, '86	200,000	
34. Tunisia Dairy Cattle	May 29, '86	4,000 head	
33. Algeria Dairy Cattle	May 29, '86	5,000 head	
32. Sri Lanka Wheat	May 16, '86	125,000	Sold 50,000
31. Saudia Arabia Barley	May 7, '86	500,000	Sold 25,000
30. Algeria Barley	Apr 17, '86	500,000	
29. Morocco Dairy Cattle	Apr 16, '86	4,000 head	
28. Turkey Dairy Cattle	Apr 16, '86	5,000 head	
27. Egypt Dairy Cattle	Apr 16, '86	6,000 head	
26. Yemen Poultry Feed	Apr 14, '86	150,000	
25. Yugoslavia Wheat	Apr 10, '86	200,000	COMPLETE
	June 24, '86	200,000	
24. Indonesia Dairy Cattle	Apr 9, '86	7,500 head	
23. Syria Wheat	Apr 8, '86	700,000	
22. Benin Wheat	Apr 7, '86	45,000	Sold 10,000
21. Algeria Table Eggs	Apr 4, '86	500 million	
20. Iraq Dairy Cattle	Apr 4, '86	6,500 head	
19. Jordan Wheat	Mar 19, '86	75,000	COMPLETE
	June 24, '86	75,000	
18. Tunisia Wheat	Mar 18, '86	300,000	Sold 50,000
17. Algeria Wheat Flour	Feb 25, '86	100,000	
16. Algeria Semolina	Feb 11, '86	250,000	
15. Philippines Wheat	Jan 7, '86	150,000	COMPLETE (152,400)
14. Zaire Wheat	Dec 27, '85	40,000	Sold 35,000
	May 15, '86	40,000	
13. Nigeria Barley Malt	Dec 10, '85	100,000	Sold 4,400
12. Iraq Wheat Flour	Dec 9, '85	150,000	Sold 75,000
11. Egypt Poultry	Nov 26, '85	8,000	COMPLETE
	Mar 21, '86	15,000	COMPLETE
	June 18, '86	5,000	
10. Zaire Wheat Flour	Nov 18, '85	64,000	Sold 45,000
	May 15, '86	30,000	
9. Philippine Wheat Flour	Nov 15, '85	100,000	Sold 50,000
8. Jordan Rice	Nov 8, '85	40,000	Sold 22,700
7. Turkey Wheat	Oct 16, '85	500,000	COMPLETE (506,600)
	May 8, '86	500,000	
6. Morocco Wheat	Sept 30, '85	1,500,000	Sold 890,000
5. Yemen Wheat	Sept 6, '85	100,000	Sold 50,000
4. Yemen Wheat Flour	Aug 20, '85	50,000	Sold 31,500
	Apr 14, '86	100,000	

-more-

3. Egypt Wheat	Jul 26, '85	500,000	COMPLETE
	Oct 30, '85	500,000	COMPLETE (512,500)
	June 20, '86	500,000	
	June 20, '85	500,000	
2. Egypt Wheat Flour	Jul 2, '85	600,000	COMPLETE
1. Algeria Wheat	Jun 4, '85	1,000,000	COMPLETE
	Apr 10, '86	1,000,000	

EXPORT ENHANCEMENT PROGRAM SUMMARY

Announced to Date	11,611,780 (grain equivalent) tons
	500 million table eggs
	28,000 tons frozen poultry
	38,000 head dairy cattle
Sold to Date	4,091,500 wheat
	1,098,055 flour, grain equivalent
	23,000 frozen poultry
	22,700 rice
	5,980 barley malt, grain equivalent
Bonus	$250.2 million at book value (1,716,400 tons)

-more-

Selected International Prices

Item	July 1, 1986		Change from a week ago	A year ago
ROTTERDAM PRICES 1/	$ per MT	$ per bu.	$ per MT	$ per MT
Wheat:				
Canadian No. 1 CWRS-13.5%.	N.Q.	--	--	N.Q.
U.S. No. 2 DNS/NS: 14%....	133.00	3.62	+1.50	161.50
U.S. No. 2 S.R.W.	116.50	3.17	-1.50	142.50
U.S. No. 3 H.A.D.....	141.00	3.84	-3.00	166.00
Canadian No. 1 A: Durum...	N.Q.	--	--	176.00
Feed grains:				
U.S. No. 3 Yellow Corn....	106.00	2.69	-11.00	126.00
Soybeans and meal:				
U.S. No. 2 Yellow.....	203.30	6.27	+1.50	219.60
Brazil 47/48% Soya Pellets	187.00	--	-3.00	144.00
U.S. 44% Soybean Meal....	179.00	--	-2.00	136.50
U.S. FARM PRICES 3/				
Wheat.....	90.38	2.46	+13.23	112.40
Barley.....	56.03	1.22	-5.05	77.62
Corn.....	85.83	2.18	-5.51	102.36
Sorghum.....	80.69	3.66 2/	-3.53	97.88
Broilers.....	1498.91	--	+87.52	1101.64
EC IMPORT LEVIES				
Wheat 5/.....	153.60	4.18	-17.60	81.90
Barley.....	155.95	3.40	-15.30	72.65
Corn.....	147.00	3.73	-1.75	67.90
Sorghum.....	162.40	4.13	+1.50	84.50
Broilers 4/ 6/ 8/.....	348.00	--	+7.00	164.00
EC INTERVENTION PRICES 7/ 9/				
Common wheat(feed quality)	199.35	5.43	+3.95	152.75
Bread wheat (min. quality)	211.70	5.76	+4.20	162.25
Barley and all other feed grains.....	199.35	--	+3.95	152.75
Broilers 4/ 6/.....	1,420.00	--	+17.00	1,077.00
EC EXPORT RESTITUTIONS (subsidies)				
Wheat	N.A.	--	--	N.A.
Barley.....	N.A.	--	--	N.A.
Broilers 4/ 6/ 8/.....	256.00	--	+5.00	96.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Five-day moving average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ Changes may be due partly to exchange rate fluctuations and/or ECU payments. N.A.=None authorized. N.Q.=Not quoted. Note: Basis July delivery.

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